

**GOVERNMENT OF ANDHRA PRADESH**  
**ABSTRACT**

Electricity Department – Transfer Scheme – AP Re-Organisation Act, 2014 and AP Electricity Reforms Act, 1998 – Approval - Orders - Issued.

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**ENERGY (CC) DEPARTMENT**

GO Ms No.29

Dated 31.05.2014

Read:

G.O.Ms.No.25, Energy (CC) Department, Dt. 29.05.2014

**ORDER:**

In exercise of powers conferred by Sections 23, 24 and 25 of the Andhra Pradesh Electricity Reform Act, 1998 (Act 30 of 1998) and as per Section 53 of AP Re-organisation Act, 2014, the Governor of Andhra Pradesh hereby makes the following rules for the purpose of providing and giving effect to the transfer of assets, properties, liabilities, obligations, proceedings and personnel of Andhra Pradesh Power Generation Corporation Limited to Telangana Power Generation Corporation Limited.

1. The Andhra Pradesh Re-organization Act, 2014 received the President's assent on 01 March 2014 for the re-organization of the existing State of Andhra Pradesh. The "Appointed Day" for the new State formation of "Telangana" is 02 June 2014. The Act requires the State of Andhra Pradesh to initiate activities related to creation of successor states including the apportionment of assets, liabilities, employees, contracts etc, between the two successor states.
2. This scheme of Apportionment/Demerger/Arrangement (hereinafter referred to as the "Scheme") provides for and gives effect to the transfer of Assets, Properties, Liabilities, Obligations, Proceedings, Personnel, etc. relating to whole business of Andhra Pradesh Power Generation Corporation Limited (APGENCO) in terms of Sections 68 read with section 53 and other relevant provisions of the A.P. Re-organisation Act, 2014, and sections 23, 24 and 25 of the Andhra Pradesh Electricity Reforms Act, 1998 (Act of 30 of 1998) and in the manner provided for in the Scheme between the Transferor company, which would remain with the residuary State of Andhra Pradesh and Transferee Company to be transferred to the successor state of Telangana (the two states collectively referred as Successor States )
3. The apportionment as embodied in this Scheme is intended to effectively provide for transfer of assets and liabilities in physical form or by making payment or adjustment through any other mode as may be agreed to by the two successor States on such apportionment.
4. APGENCO is a company incorporated under the Companies Act, 1956, on 28 December 1998, having its registered office at Vidyutsoudha, Khairatabad, Hyderabad – 500 082. The Authorized capital as on 31st March, 2014 is 25,00,00,000 equity shares of Rs.100 each amounting to Rs.2,500 Crores. Issued, subscribed and paid up capital is 21,06,80,007 equity shares of Rs.100 each fully paid amounting to Rs.2,106.80 Crores.
5. The main object of the APGENCO inter-alia is to carry on the business of purchasing, importing, exporting, producing, trading, manufacturing or otherwise dealing in Electric Power.
6. Telangana Power Generation Corporation Limited (TGGENCO) is a company being incorporated under the Companies Act, 2013, and starts functioning on and from the appointed date that is 2<sup>nd</sup> June, 2014.
7. The main object of the TGGENCO inter-alia is to acquire Demerged Undertaking of APGENCO pursuant to provisions of AP Reorganization Act, 2014 all things connected thereto and to carry on the business of purchasing, importing, exporting, producing, trading, manufacturing or otherwise dealing in Electric Power.
8. The Scheme has been drawn up to comply with the conditions as specified in the A.P. Reorganization Act, 2014 and other applicable laws such that:

- (a) all the assets and properties located in the Telangana Region as specified in Schedule 'A' are transferred from APGENCO (Transferor Company) to TGGENCO (Transferee Company) and vest with Transferee company on the Appointed Date;
  - (b) all the liabilities relatable to assets, properties and projects located in the Telangana Region as specified in Schedule 'A' are transferred from APGENCO (Transferor Company) to TGGENCO (Transferee Company) and will become the liabilities of the Transferee company on the Appointed Date;
  - (c) the properties and the liabilities, of Head quarters of APGENCO apportionable to Transferee Company (Telangana Region) existing immediately before the re-organization become properties and liabilities of the Transferee Company on Appointed Date;
  - (d) the properties and the liabilities, transferred from APGENCO are transferred to the Transferee Company at the values appearing in the books of account of the APGENCO immediately before the reorganization / as per the values in the Balance sheet as on Appointed Date.
  - (e) the transfer of Assets, Liabilities, Proceedings and Personnel of APGENCO will be on a "going concern basis"
9. The Equity Shares held by the Government of Andhra Pradesh in APGENCO are allocated to Telangana Region as specified in Schedule 'A';
10. The Scheme is divided into the following parts:
- (a) Part I, which deals with the Definitions, and short title and extent;
  - (b) Part II, which deals with the Assets, Liabilities of transferred Undertaking, residuary undertaking, reorganization of capital, personnel, etc.,
  - (c) Part III, which deals with the general terms and conditions that would be applicable to Part II of the Scheme.
  - (d) Part IV, which deals with the transfer scheme
11. The above mentioned clauses 8 to 10 are subject to revision or modification if any as may be notified from time to time.

## Part-I

### 1. DEFINITIONS

The existing definitions, words, terminology etc. hitherto being used, defined or interpreted by APGENCO shall continue to prevail even from the Appointed Date.

Further in this Scheme (as defined hereinafter), unless repugnant to the meaning or context thereof, the following expressions shall have the meaning mentioned herein below:

- (a) **"Act"** means the Andhra Pradesh Reorganization Act, 2014.
- (b) **"Apportionment"** or **"Apportioned"** means the transfer by way of apportionment of the assets and liabilities of the Transferor Company to the Transferee Company formed pursuant to re-organization of Andhra Pradesh State, as set out in Part II hereof including the method of apportionment prescribed in *Schedule A* of this Scheme and includes any changes made to the apportionment schedule pursuant to Audit of financials of APGENCO drawn as on 01 June 2014.
- (c) **"Appointed Date"** means 02<sup>nd</sup> Day of June, 2014 or such other date as may be notified by the Government of India in the official Gazette of India.
- (d) **"APGENCO" or "Transferor Company"** means Andhra Pradesh Power Generation Corporation Limited, a company established by the Government of existing state of Andhra Pradesh with the principal object of engaging in the business of Generation of Electricity in the state of Andhra Pradesh;
- (e) **"TGGENCO" or "Transferee Company"** means Telangana Power Generation Corporation Limited, a company established by the Government of existing state of Andhra Pradesh with the principal object of acquiring the Demerged Undertaking of APGENCO pursuant to provisions of the Act and engaging in the business of Generation of Electricity in the successor state of Telangana;
- (f) **"Asset"** includes dams, tunnels, intake and outlet structures of water conductor systems, generating stations with associated plant, machinery equipment, land, building, offices,

stores, furniture, fixtures, vehicles, residential quarter and guest houses and amenities and installations pertaining thereto and other movable and immovable assets, cash in hand, cash at bank investments, book debts, corporeal or incorporeal, tangible and intangible assets, benefits, licenses, consents, authorities, registrations, liberties, patents trademarks and powers of every kind, nature and description whatsoever privileges, liberties, easements, advantages, benefits and approvals, contracts, deeds, schemes, bonds, agreements and other instruments and interest of whatever nature and wherever situate;

- (g) **"Effective date"** means the relevant date notified by an order made by the Government of Andhra Pradesh for effecting transfer of Assets, Liabilities, Proceedings or Personnel of APGENCO or the Appointed Date, whichever is later;
- (h) **"Liabilities"** includes all liabilities, debts, duties obligations and other outgoing including statutory Liabilities and Government levies of whatever nature along with Contingent Liabilities (provided in Schedule H) including but not limited to Bank Guarantees (provided in Schedule G) which may arise in regard to dealings before the effective date in respect of the Demerged and Residuary Undertakings excluding however personnel and personnel related matters.
- (i) **"Personnel"** means workmen, employees, staff and officers of APGENCO by whatever name called and includes those trainees receiving stipend from APGENCO including those on deputation to other organizations or institutions;
- (j) **"Proceedings"** includes all Proceedings of whatever nature including suits, cases, appeals, complaints, petitions. Applications, conciliatory arbitration whether civil or criminal or otherwise;
- (k) **"Population Ratio"** means the ratio of 58.32:41.68 as per 2011 Census in relation to the State of Andhra Pradesh and Telangana as defined under Section 2(h) of the Act.
- (l) **"Board"** means Board of Directors or Board in relation to Transferor Company and the Transferee Company, as the case may be, shall, unless it be repugnant to the context or otherwise, includes a committee of directors or any person duly constituted and authorized by the respective Boards of Directors.
- (m) **"Companies Act"** means the Companies Act, 1956 and Companies Act, 2013, to the extent applicable, and includes any statutory re-enactment or modification thereof, or amendment thereto, from time to time.
- (n) **"Demerged Undertaking"** or **"Transferred Undertaking"** means the whole of business as outlined in *Schedule B* of this scheme relatable to Telangana Region of the Transferor Company, and the share of assets and liabilities of common assets, on a going concern basis, apportioned in terms of this scheme which shall include (without limitation):
  - a. all assets and properties wherever situated, whether movable or immovable, freehold or leasehold, tangible or intangible, including investments in, and advances to, as part of the business activity, including without limitation all funds, investments, plant and machinery, estates, buildings, offices (including marketing offices, corporate and administrative offices and liaison offices), machinery, capital work in progress, furniture, fixtures, office equipment, vehicles, computer installations, electrical including any other hardware or software applications, appliances, accessories, power lines, water pipelines and deposits all other interests in connection with or relating or Apportioned to the Demerged Undertaking, including licenses, approvals, certificates, clearances, exemptions and all benefits.
  - b. all agreements, contracts, engagements, permits, quotas, rights, registrations, entitlements, industrial and other licences, bids, all assignments and grants thereof, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, approvals, consents, subsidies, tax credits, incentives, tenancies in relation to office and/or residential properties for the employees, investments or interest (whether vested, contingent or otherwise) either solely or jointly with other parties, goodwill, trade marks, trade names, trade secrets, product registrations, patents, copyrights, all other intellectual property, bank accounts, receivables, privileges, insurance claims and policies, powers of attorney, and authorities, certifications, all other rights including sales tax deferrals and exemptions and other benefits, lease rights, licences, powers and facilities of every kind, nature and description whatsoever, rights to use

- and avail of telephones, emails, telexes, facsimile, VSATs connections and installations and any other communication devices, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Demerged Undertaking', including licenses, approvals, certificates, clearances, exemptions and all benefits;
- c. all deposits or benefits of any deposits, balances, earnest moneys and/or security deposits paid or received by the Transferor Company directly or indirectly in connection with or relating to the Demerged Undertaking';
  - d. all books, records, files, papers, engineering and process information, computer programmes along with licenses, drawings, backup copies, websites, domain names, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form in connection with or relating to the Demerged Undertaking'; and
  - e. debts, duties, obligations and liabilities (including contingent liabilities) relatable to the Demerged Undertaking;

**Explanation:**

- (I) For the purpose of this Scheme, it is clarified that the liabilities pertaining to the Demerged Undertaking' are:
  - a. The liabilities which accrue or arise out of the activities or operations of Business of Demerged Undertaking;
  - b. Specific loans and borrowings raised, incurred and utilised solely for the activities or operation of Business of Demerged Undertaking.
  - c. Contingent liability existing on the Appointed date, which would be relatable to the Business of Demerged Undertaking based on the suitable method of Apportionment agreed upon by Board of both the Transferor and Transferee Company;
  - d. Liabilities other than those referred to in sub-clauses (i) and (ii) above, if any, being the amounts of general or multipurpose borrowings of the Transferor Company, as at the end of business on the date immediately preceding the Appointed Date in the manner apportioned under the scheme.
- (II) Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Business or whether it arises out of the activities or operations of the Business shall be decided by mutual agreement between the Board of the Companies in the Successor States upon re-organisation. Further, in the event a mutual agreement could not be arrived, the decision of Central Government or any of its appointed nominee for this matter would be final.
- (o) **“Existing Pensioner”** means all the persons eligible for the pension as on the effective date of transfer from APGENCO and shall include family members of the personnel as per the applicable scheme
- (p) **“Head Quarter’s Assets and Liabilities”** means the Assets and Liabilities pertaining to the head quarters of APGENCO situated at Hyderabad.
- (q) **“Residuary Undertaking”** means the whole of the business as outlined in *Schedule C* of this Scheme relating to Residuary Andhra Pradesh Region of Transferor Company on a going concern basis and all the estate, assets, rights, title, interests, business, undertakings, activities, operations and the divisions of the Transferor Company, save and except the Demerged Undertaking'.
- (r) **“Residuary Andhra Pradesh Region”** means on and from the Appointed Date territories as existing in state of Andhra Pradesh other than those specified in the Sec.3 of part II of the Act.
- (s) **“Schedule”** means the Schedules appended to the APGENCO Re-organization Scheme 2014.

- (t) **“State Governments”** means the Governments of the successor states formed upon re-organization and includes Government of Andhra Pradesh and State of Telangana formed under AP Re-organization Act, 2014.
- (u) **“Scheme”** means this composite Scheme of Apportionment/Arrangement called as the APGENCO Re-organization Scheme, 2014 including any modification or amendment hereto.
- (v) **“Terminal Benefits”** means the gratuity, pension/commutation of pension, leave encashment, dearness and other applicable relief, medical benefit and other applicable benefits including the right to have the appropriate revisions in the above benefits consistent with the practice that were prevalent in the APGENCO.
- (w) **“Telangana Region”** means on and from the Appointed Date territories as included in Section 3 of part II of the Act.
- (x) **“Old Stations”** means the individual power stations as specified in the Andhra Pradesh Electricity Regulatory Commission (APERC) Order O.P. No. 27 of 2006 and O.P. No. 4 of 2007 dated 4<sup>th</sup> July 2013 and includes the Srisailem Left Bank Power House as approved and notified by the APERC Order O.P. No. 7 of 2006 dated 17<sup>th</sup> June 2011
- (y) **“Contingent assets”** includes all recoverable expense from Distribution Companies and income tax recoverable from Distribution Companies.

## 2. SHORT TITLE AND EXTENT:

- (a) This Scheme be called the APGENCO Re-organization Scheme, 2014.
- (b) These scheme extend to all Assets, Liabilities, Proceedings and Personnel of the Andhra Pradesh Power Generation Corporation Limited in the whole of the existing state of Andhra Pradesh as defined in AP Reorganization Act, 2014 and also to assets, liabilities, Proceedings and Personnel, which are situated outside the State.
- (c) **Date when the Scheme comes into Operation:** Though this Scheme shall become effective from the Effective Date, the provisions of this Scheme shall be applicable and come into operation from the Appointed Date i.e., 02<sup>nd</sup> Day of June, 2014 or such other date as may be notified by the Governor of Andhra Pradesh vide Gazetted notification.

## PART II

### SECTION 1 – DEMERGED UNDERTAKING

1. Upon the Scheme coming into effect from the Appointed Date, all the operational Units of the Demerged Undertaking’ (including all the estate, Assets, rights, title, interest and authorities including accretions and appurtenances of the Demerged Undertaking of whatsoever nature including but not limited to the list of undertakings outlined in ***Schedule B*** of the Scheme) would vest with the Transferee Company as a going concern and shall as per the provisions of this Scheme in relation to the mode of vesting and Section 53 of the Act and without further act, instrument or deed, would be deemed to have been apportioned and transferred to and vested in the Transferee Company on the Appointed Date.
2. In respect of all the movable assets owned by APGENCO in relation to the Demerged Undertaking as on the Effective Date and the assets which are otherwise capable of being transferred by physical delivery or endorsement and delivery or novation and delivery, including cash in hand, shall be so transferred to Transferee Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery or novation and delivery, as the case may be, to Transferee Company to the end and intent that the property and benefit therein passes to Transferee Company with effect from the Appointed Date.
3. In respect of such of the assets and liabilities located/held at the Head quarters of the Transferor Company shall be apportioned between the Transferee Company and Transferor Company on the basis of mutual agreement.
4. In respect of the investments in public, private or commercial undertaking companies held by APGENCO before the Appointed Date are apportioned on region basis where the projects are located.
5. In respect of investments in projects having multiple units falling within the territories of States of Andhra Pradesh and Telangana shall be apportioned on the basis of population.

6. The Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors), either by themselves or through a committee appointed by them in this behalf, may give such directions as they may consider necessary to exercise operational control and all rights arising out of the agreements already entered while making investments in the public, private or commercial undertaking or to review the position relating to the satisfaction of the projects in which the investments are made and all matters connected there with.
7. Upon apportionment of the assets and liabilities, such assets and liabilities shall be transferred in physical form on mutual agreement or by making payment or adjustment through any other mode as may be agreed to by the respective boards.
8. The Contingent Assets, Disputed Receivables, if any, of APGENCO as on the Appointed date to be apportioned based on the Power Supply Ratio;
9. Upon the Scheme coming into effect and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking' to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date in relation to the operational units apportioned as set out in Clause 1 above, shall be in full force and effect on or against or in favour as the case may be of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or oblige thereto.
10. Without prejudice to the other provisions of the Scheme and notwithstanding the fact that vesting of the Demerged Undertaking' occurs by virtue of Part II of the Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed. The Transferee Company shall, under the provisions of Part II of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Undertaking' to be carried out or performed.
11. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all insurance claims and policies, consents, permissions, licenses, approvals, certificates, clearances generally and relating to operational units apportioned as set out clause 1 to 10 above and all branches, powers of attorney, authorities given by, issued to or executed in favour of the Transferor Company, all certifications and approvals, trademarks, patents and domain names, copyrights, industrial designs, trade secrets, product registrations and other intellectual property and all other interests relating to the Transferor Company, be transferred to and vested in the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the rights and benefits under the same shall be available to the Transferee Company.
12. All the property, assets and liabilities of the Demerged Undertaking' shall be transferred by the Transferor Company to the Transferee Company at the values appearing in the books of account of the Transferor Company as on Appointed day i.e., 02nd June, 2014;
13. It is clarified that, upon the coming into effect of the Scheme, the liabilities and obligations of the Transferor Company in relation to the Apportioned Assets set out in Clause 1 to 8 above and being a part of the Demerged Undertaking shall, without any further act or deed be and stand transferred, or shall be deemed to have been transferred on the Appointed Date to the Transferee Company', and shall become the liabilities and obligations of the Transferee Company' which shall undertake to meet, discharge and satisfy the same;
14. Where any of the liabilities and obligations of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company, and all loans raised and used and all liabilities and obligations incurred by the Transferor Company for the operations of the Transferee Company after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the

Transferee Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Transferee Company and shall become the liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same.

15. Upon the coming into effect of the Scheme, all legal, taxation or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted any time in the future and in each case relating to the Transferee Company shall be continued and enforced by or against the Transferee Company after the Effective Date. The Transferee Company shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with the Transferor Company.
16. If proceedings are taken against the Transferor Company in respect of the matters referred to in sub-clause 14 above, it shall defend the same in accordance with the advice of the Transferee Company and at the cost of the Transferee Company, and the latter shall reimburse and indemnify the Transferor Company against all liabilities and obligations incurred by the Transferor Company in respect thereof.
17. The Transferee Company undertakes to have all legal, taxation or other proceedings initiated by or against the Transferor Company referred to in sub-clause 14 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company.
18. With effect from the Appointed Date and up to and including the Effective Date:
  - (a) the Transferor Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Transferee Company and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions of the Transferee Company, including the rights and interest in any documents specified in Clause hereof, for and on account of, and in trust for and for the benefit of the Transferee Company'; and
  - (b) all income, profits, costs, charges, expenses (including costs, charges and expenses relating to employees of the Transferor Company engaged in the Demerged Undertaking) and taxes accruing to the Transferor Company or losses arising or incurred by it (including the effect of taxes if any thereon), relating to the Demerged Undertaking' shall for all purposes, be treated as the income, profits, costs, charges, expenses and taxes or losses, as the case may be, of the Transferee Company.
  - (c) The Transferor Company undertakes that it will from the date of approval of the Scheme by the Board of Directors of the Transferor Company and the Transferee Company, or the Appointed Date, whichever is earlier, and upto and including the Effective Date preserve and carry on the Demerged Undertaking' with diligence and prudence.
19. The transfer and vesting of the assets, liabilities and obligations of the Transferee Company under the Scheme and the continuance of the proceedings by or against the Transferee Company shall not affect any transaction or proceedings already completed by the Transferor Company on and after the Appointed Date to the end and intent that the Transferee Company accepts all acts, deeds and things done and executed by and/or on behalf of the Transferor Company as acts, deeds and things done and executed by and/or on behalf of the Transferee Company.
20. The amount, if any, disallowed in the hands of the Transferor Company under section 43B or 40(a) of the Income tax Act, 1961 for the assessment years prior to the Appointed Date shall be eligible to be claimed by the Transferee Company on fulfillment of the conditions as laid down in sections 43B or 40(a) of the Income tax Act, 1961.
21. Upon the Scheme becoming effective, the accounts of Transferor Company and Transferee Company as on the Appointed Date shall be reconstructed in accordance with the terms of this Scheme. Transferor Company and/or Transferee Company shall be entitled to revise their respective income-tax returns, TDS returns, and other statutory returns as may be required under respective statutes pertaining to direct taxes and indirect taxes, such as sales-tax; value added tax; excise duties; service tax; etc, and shall also have the right to claim refunds, advance tax credits, credit of tax under Section 115JB, credit of tax deducted at source, credit of foreign taxes paid/withheld, etc, if any, as may be required consequent to implementation of the Scheme

22. All cheques and other negotiable instruments, payment orders received in the name of Transferor Company relatable to the Demerged Undertaking after the Effective Date shall be accepted by the bankers of Transferee Company and credited to the account of Transferee Company. Similarly, the bankers of Transferee Company shall honour cheques issued by Transferor Company between the Appointed Date and the Effective Date relatable to the Demerged Undertaking.

## **SECTION 2 – RESIDUARY UNDERTAKING**

23. The Residuary Undertaking and all the assets, liabilities and obligations pertaining thereto viz.
- All the operational Units of the Transferor Company remaining after apportionment as set in Part-II of Clause 1 in favour of the Transferee Company including all the estate, assets, rights, title, interest and authorities including accretions and appurtenances of the Remaining Undertaking would continue to vest with the Transferor Company post Appointed Date. The details of Residual undertaking are provided in ***Schedule C*** of the Scheme.
  - Similarly, such of the assets of the Transferor Company as are movable in nature and remaining after apportionment as set in Part-II of Clause 1 in favour of the Transferee Company continue to vest with the Transferor Company post Appointed Date.
  - Such of the assets including investments and liabilities located/held at the Head quarters of the Transferor Company remaining after apportionment on mutually agreed basis as outlined in sub-clause 3 of Section 1 of this part upon reorganization shall continue to belong to and be vested in and be managed by the Transferor Company;
24. All legal, taxation or other proceedings by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Residuary Undertaking (including those relating to any property, right, power, liability, obligation or duties of the Transferor Company in respect of the Residuary Undertaking) shall be continued and enforced by or against the Transferor Company (or successor thereof). The Transferee Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceeding against the Transferor Company.
25. The Transferor Company has not and shall not be deemed to have transferred, and shall continue to hold, all rights and interests in and bear all obligations and liabilities, including all assets, liabilities, proceedings, and Personnel, relating to all the Residuary Undertakings other than the Demerged Undertaking transferred to Transferee Company
26. With effect from the Appointed Date and up to and including the Effective Date, the Transferor Company:
- shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Residuary Undertaking for and on its own behalf;
  - all profits accruing to the Transferor Company thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Residuary Undertaking shall, for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Transferor Company (or successor thereof).

## **SECTION 3 - LIABILITIES**

### **27. LOANS, FIXED DEPOSITS AND RELATED SECURITY**

- In so far as loans, borrowings of the Transferor Company are concerned, the loans, borrowings which are to be transferred to the Transferee Company in terms of Clause hereof (the “Transferred Borrowings”) being a part of the Demerged Undertaking shall, upon coming into effect of the Scheme and subject to sub-clause (b) below, without any further act or deed, become loans, borrowings of the Transferee Company, and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and shall be exercised by or against the Transferee Company as if it had entered into such loans, incurred such borrowings. The details of list of Assets within the precincts of Andhra Pradesh hypothecated to Financial Institutions for funded projects in Telangana and vice versa are outlined in ***Schedule D*** of this Scheme.
- Further, if the Assets referred to in sub-clause (a) above, of the Demerged Undertaking or Residuary Undertaking are subject to security documents or arrangements in favour of



third parties for any financial assistance or obligation taken by Demerged Undertaking and the liabilities in respect thereof are to be classified in Residuary Undertaking or vice versa, Demerged Undertaking or Residuary Undertaking, as the case may be, will substitute such properties, assets and rights with different properties, assets and rights belonging or transferred to them, to be given as security documents or arrangements in favour of third parties for any financial assistance or arrange to discharge the assets from such encumbrance within 3 to 6 months or otherwise the concerned state governments have to arrange guarantees for release of collateral securities offered by APGENCO to financial institutions and banks mentioned in Schedule-D.

- (c) Without prejudice to the provisions of Clause -1 of Section 1 of Part-II or the foregoing clauses, and upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall execute any instruments or documents or do all the acts and deeds as may be required by the lenders (including but not limited to Banks, Financial Institutions etc.), including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, respectively to give formal effect to the above provisions.
- (d) The Transferor Company and/or the Transferee Company shall enter into and execute such further deeds, documents or writings as may be required to give full effect to the above provisions.
- (e) Upon the coming into effect of the Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the liabilities and obligations of the Demerged Undertaking enumerated in Clause -1 of Section 1 of Part-II above, and the Transferor Company shall not have any obligations in respect thereof.
- (f) It is expressly provided that, save as mentioned in this Clause no other terms or conditions of the liabilities and obligations of the Transferee Company enumerated in Clause above shall be modified except to the extent that such amendment is required by necessary implication or by any agreement entered into with the respective lender.
- (g) The provisions of this Clause shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security document, all of which instruments shall stand modified and/or superseded by the foregoing provisions.

#### 28. PENSION BOND LIABILITY:

- (a) The existing pension liability vested on APGENCO vide G.O.Ms No. 11 dated 30.01.2000 pertaining to employees drawing pension from Telangana Region are to be transferred to the Transferee Company or a Master Trust set-up by the Transferee Company in terms of Clause hereof based in the proportion of net fixed assets of Old Stations. The detailed rationale of appropriation method has been outlined in Schedule F of this Scheme.
- (b) The liability pertaining to Telangana Region being a part of the Demerged Undertaking shall, upon coming into effect of the Scheme, and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and shall be exercised by or against the Transferee Company as if it had incurred such pension liability.
- (c) Furthermore, the associated guarantee in relation to sub clause (a) of Clause 27 issued by Government of existing state of Andhra Pradesh for principal repayment and interest thereon shall be apportioned between the Government of both the Successor states of Telangana and Andhra Pradesh based on the ratio of existing pension liability divided between Transferor Company and Transferee Company

#### SECTION 4 - REORGANISATION OF CAPITAL

- 29. The provisions of this Section shall operate notwithstanding anything to the contrary in any other instrument, deed or writing;
- 30. In consideration of the provisions of Part II of this Scheme and as an integral part of this Scheme, the share capital of the Transferee Company and the Transferor Company shall be restructured and reorganized in the manner set out in Clauses below.
- 31. Upon the Scheme coming into effect and in consideration of the Apportionment pursuant to Part II of the Scheme, the issued, subscribed and paid up equity share capital of the

Transferor Company shall be reduced by the ratio of Gross fixed assets relatable to the Demerged undertaking as provided in the Andhra Pradesh Electricity Regulatory Commission Order no. O.P. No. 27 of 2006 and O.P. No. 4 of 2007 dated 4<sup>th</sup> July 2013 and in terms of mutual agreement between both the Successor States read with the Act.

32. The reduction of paid-up capital of the Transferor Company pursuant to the Scheme shall be given effect as an integral part of this Scheme and all other applicable provisions of the Act to such reduction of capital of the Transferor Company and the Transferor Company shall not be required to convene any separate meeting for that purpose.
33. It is hereby clarified that the amount by which the Paid-up share capital of the Transferor Company is reduced in terms of this Clause, shall be credited to the account of the Transferee Company after creating the necessary authorized capital with the Registrar of Companies as per the provisions of Companies Act, 2013 read with the Rules. the Transferee Company shall issue new share certificates to the Government of Telangana in accordance with the Companies Act, 2013 and rules from there under.
34. The Transferee Company shall, if and to the extent required, apply for and obtain any approvals from the concerned regulatory authorities for the issue and allotment of equity shares by the Transferee Company.

#### **SECTION- 5- PERSONNEL**

35. Existing sanctioned posts and other organogram of the Transferor Company shall be apportioned as detailed in **Schedule E** of this Scheme. The posts apportioned to Transferee Company shall stand transferred and vest with Transferee Company.
36. Upon the transfer of personnel pursuant to this scheme, the TGGENCO personnel shall form part of the services of TGGENCO, with the status and in the post scale of pay and seniority being maintained in the same manner as in APGENCO on the effective date of transfer.
37. The Transferee Company undertakes to engage, on and from the Effective Date, such employees transferred from the Transferor Company (including such employees engaged by the Transferor Company in the ordinary course of business) engaged in the Demerged Undertaking and who are in the employment of the Transferor Company as on the Effective Date, on terms and conditions not less favourable than those on which they are engaged by the Transferor Company, with continuity of service. The Transferee Company undertakes to continue to abide by any agreement/settlement entered into by the Transferor Company in respect of the Transferee Company with employees of the Transferor Company in relation to the Transferee Company. The Transferee Company agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such employees with the Transferor Company shall also be taken into account, and agrees and undertakes to pay the same as and when payable.
38. The transfer of personnel shall be further subject to the following conditions, namely:-
  - (a) that the terms and conditions of the services applicable to them on the effective date of the transfer notified for the purpose shall not in any way be less favourable than or inferior to those applicable to them immediately before the said effective date;
  - (b) all such personnel shall have continuity of service in all respects;
  - (c) all benefits of service accrued before the said effective date shall be fully recognized and protected and taken into account for all purposes including the payment of terminal benefits;
  - (d) subject to the above, the personnel shall cease to be in the service of APGENCO and shall not assert or claim any benefit of service under the State Government or the Transferor Company. Except as provided in the Andhra Pradesh Electricity Reform Act, 1998, these Rules;
  - (e) Subject to sub-clause (35) to (37), the Transferee Company shall adhere to rules framed by the Government of Successor state of Telangana governing the conditions of service of personnel transferred to the Transferee Company and till such time, the existing service conditions of APGENCO shall mutatis mutandis apply.
39. All Proceedings including disciplinary Proceedings pending against the personnel prior to the effective date of transfer from APGENCO to TGGENCO, or which may relate to misconduct, lapses or acts of commission or omission committed before the effective date of

transfer notified for the purpose, shall not abate and may be continued by the relevant Transferee. Provided that all disciplinary cases finalized as on the date of the effective date of transfer notified for the purpose shall not be reopened by the Transferee,

40. In respect of all statutory and other schemes and employment related matters including the provident fund, gratuity fund, pension and any other superannuation fund or any other special fund created or existing for the benefit of the personnel, the relevant Transferee shall stand substituted for APGENCO for all purposes and all the rights, powers and obligations of APGENCO in relation to any and all such employees transferred to Transferee Company and the services of the personnel shall be treated as having been continuous for the purpose of the application of this sub-rule.
41. The personnel on the payrolls of APGENCO as on the Appointed Date and not having been transferred to TG GENCO under the foregoing sub-clauses would be deemed to be employee of APGENCO.

#### **SECTION 6- TRANSFER OF SHARES OF TGGENCO**

42. Upon creation of Government of successor state of Telangana on the Appointed Date under the provisions of the Act, the equity shares of TGGENCO would be deemed to be transferred by Government of residuary state of Andhra Pradesh to the Government of Telangana pursuant to provision 68 read with section 53 of the Act.
43. The Government of existing state of Andhra Pradesh undertakes that it will from the date of approval of the Scheme by the Governor of Andhra Pradesh upto and including the Appointed Date would preserve and carry on the Demerged Undertaking with diligence and prudence.

#### **SECTION 7 – ACCOUNTING TREATMENT**

44. In the books of the Transferor Company

Upon coming into effect of the Scheme, the Transferor Company shall give effect to the re-organization of capital as set out in Section 4 of this Scheme as at the Appointed Date as below:

- (a) The Paid-up capital of the Transferor Company is 10,68,74,003 equity shares of Rs. 100 each aggregating to Rs. 1,068.74 Crores and 10,38,06,004 equity shares of Rs. 100 each aggregating to Rs. 1,038.06 Crores is apportioned to Transferee Company.
- (b) The difference between the book value of the assets, liabilities, share capital of the Transferor Company that is transferred to the Transferee Company pursuant to the Scheme, if any, shall be adjusted with Reserves and Surplus A/c.
- (c) The application and consequential reduction of the Share Capital Account, as per sub-clause (a) above, shall be effected as an integral part of the Scheme itself as the same does not involve either diminution of liability in respect of unpaid Share Capital or payment to any shareholder of any paid-up Share Capital;

45. In the books of the Transferee Company

Upon coming into effect of the Scheme, the Demerged Undertaking' shall give effect to the following accounting treatment as at the Appointed Date:

- (a) The Demerged Undertaking' shall, record the assets and liabilities, paid-up capital vested in it pursuant to this Scheme, at the respective book values thereof as appearing in the books of the Transferor Company at the close of business hours of 01/06/2014;
- (b) The difference between the total of the debits and credits shall be adjusted under the head Reserves and Surplus in the books of the Transferee Company. ;
- (c) It is hereby clarified that pursuant to the provisions of Clause of the Scheme, all transactions during the period between the Appointed Date and Effective Date relating to the Demerged Undertaking' would be duly reflected in the financial statements of the Transferee Company', upon the Scheme coming into effect.

#### **PART III - OTHER TERMS & CONDITIONS**

46. The Transferor Company and Transferee Company shall reconcile the figures of share capital and loans in the finance accounts of respective Governments.

47. The Transferor Company and the Transferee Company' shall jointly make necessary application before the Registrar of Companies of Andhra Pradesh and such statutory authorities on completion of the terms and conditions of the Scheme and give effect to the scheme for all matters incidental there to and connected there with including if necessary for change of the Registered Office of the Transferor Company and for the said purpose no separate permission of the respective State Governments would be necessary and such permission shall be deemed to have been granted by the State Governments.
48. The Transferor Company (by its Board of Directors) and the Transferee Company' (by its Board of Directors) either by themselves or through a committee appointed by them in this behalf, may, in their full and absolute discretion, assent to any alteration or modification to this Scheme which either the Boards of Directors of the Transferor Company or the Transferee Company', as the case may be, deem fit, or which the Central Government and/or any other Authority may deem fit to approve or impose.
49. The Transferor Company (by its Board of Directors) and the Transferee Company' (by its Board of Directors), either by themselves or through a committee appointed by them in this behalf, may give such directions as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation hereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions to the Scheme and if necessary, to waive any of those to the extent permissible under law.
50. Any issue as to whether any asset, liability, employee or litigation pertains to the Demerged Undertaking' or not shall be decided by the Board of Directors of the Demerged Company either by themselves or through a committee appointed by them in this behalf, and if considered necessary by them, after consultation with the Board of Directors of the Transferor Company, on the basis of evidence that they may deem relevant for the purpose (including the books and records of the Transferor Company).
51. This Scheme is conditional upon and subject to such other sanctions and approvals including sanction of any State/Central Governmental Authorities or its nominees. In the event of any of the aforesaid sanctions and approvals are not being obtained and/ or the Scheme not being sanctioned by the appropriate authority, if any, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law and agreed between the respective parties to this Scheme.
52. In the event of non-fulfillment of any or all obligations under the Scheme by any Company towards the other Company, inter-se or to third parties and non-performance of which will put the other Company under any obligation, then such Company will indemnify all costs/interest, etc. to the other Company.
53. If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Company and the Transferee Company, effect the validity or implementation of the other parts and/or provisions of this Scheme.
54. Any issue not covered above shall be decided by both GENCOs in accordance with the principles laid down in the Reorganization Act 2014.

The detailed scheme is annexed hereunder.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr.S.K.JOSHI, IAS,  
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC),

To  
The Managing Director, APGENCO.

Copy to:

The Chairman & Managing Director, APTRANSCO, Hyderabad.  
The Chairman & Managing Director, APCPDCL, Hyderabad.  
The Chairman & Managing Director, APNPDCL, Hyderabad.

The Chairman & Managing Director, APSPDCL, Hyderabad.  
The Chairman & Managing Director, APEPDCL, Hyderabad.  
The CEIG, AP, Hyderabad  
The Secretary, APERC, Hyderabad  
The Managing Director, APPFCL, Hyderabad.  
File C.No.4300-II/CC/2013.  
SF/SC

//FORWARDED BY ORDER//

SECTION OFFICER

### **SCHEME**

- **Transfer of functions to TG GENCO:** From the effective date all the functions presently being carried out by APGENCO in the area of Telangana State shall stand transferred to TG GENCO.
- **Transfer of Power Plants to TG GENCO:** As per clause C1 of Twelfth Schedule read with Section 92 of Reorganization Act 2014, all the Plants (Thermal, Hydel and Solar) located in Telangana Region shall be transferred to Telangana GENCO on as is where is basis.
- **Allocation of sanctioned posts to various Projects has to be allocated on as is where is basis**

The sanctioned Technical posts at Headquarters among Thermal and Hydel shall be divided as per original sanction of posts in APGENCO.

- **Transfer of posts to TG GENCO:** All sanctioned posts for Telangana Region Projects located in Telangana State shall stand transferred to TG GENCO with effect from Effective date. Posts at AP GENCO Head Quarter shall be divided between two GENCOs based on the principles described as follows:
  - **Allocation of sanctioned technical posts at Head Quarters:** A ratio has to be worked out by dividing the existing thermal capacity of Andhra region including the projects under construction by the total installed thermal capacity of the State and projects under construction. A ratio has to be worked out by dividing the existing thermal capacity of Telangana region including the projects under construction by the total installed thermal capacity of the State and projects under construction. Similarly, a ratio has to be worked out by dividing the existing Hydel capacity of Andhra Region including Projects under Construction by the total installed Hydel capacity of the State and Projects under Construction excluding joint projects. A ratio has to be worked out by dividing the existing Hydel capacity of Telangana Region including the Projects under Construction by the total installed Hydel capacity of the State and Projects under Construction excluding joint projects.
  - **Allocation of sanctioned Common Services Posts at Head Quarters**

A ratio for allotment of common services staff for ANDHRA/ TELANGANA, has to be worked out by dividing the “Sanctioned Strength in the Region” excluding joint projects strength with the “Total Sanctioned Strength of APGENCO excluding Head Quarters”.

Based on this principle, head quarter posts are to be transferred to both GENCOs.

- **Transfer of employees between two GENCOs:** The guidelines meant for Government employees shall be followed for permanent transfer of employees between two GENCOs. Pending such transfer of employees, all staff working at various Plants/Locations and Training Institute at Dr.NTTPS as on effective date shall continue to work there and draw their salaries accordingly. Staff working at Head Quarter, to the extent of posts in TGGENCO, shall be permanently transferred to TGGENCO as on effective date duly following the Government guidelines issued for allotment of staff.

Upon such transfer/allocation of personnel shall hold office or service under the transferee company on terms & conditions that may be determined in accordance with the transfer scheme. Provided that such terms & conditions on the transfer shall not in any way be less favourable than those which would have been applicable to them if they had been no such vesting.

However, in case of departments responsible for activities that do not exclusively conform to population criterion, the apportionment of posts between the successor states may be based on the ratio of geographic intensity of activity validated by empirical evidence by the concerned department. All sanctioned posts existing on June 1, 2014, shall be allotted to one or the other successor states. Sanctioned posts include regular civil service posts, but do not include posts sanctioned to be filled on contract or outsourcing basis.

- **Training Centre at Dr.NTTPS, Vijayawada:** TI/Dr.NTTPS along with posts shall stand transferred to APGENCO. However TI/Dr.NTTPS shall continue to provide services to TG GENCO on cost basis as per request made by TG GENCO.
- **SRISAILAM:** Srisailam Chief Engineer's office is presently located at Srisailam Left Bank Hydro Electric Station, where as Chief Engineer's post and his office staff are on the rolls of Srisailam Right Bank Hydro Electric Station. It is proposed to shift the Chief Engineer's office to Right Bank.

Three (3) Nos. suites in Krishnaveni Guest House and 12 rooms in Project Hostel of SLBHES are to be allotted for the use of SRBHES for a maximum period of 5 years and necessary rental charges as per G.O.Ms.No.63, dated 18-4-2011 shall be paid by SRBHES.

- **NSHES COMPLEX:** The Chief Engineer/NSHES Complex Head Quarters shall be shifted to Srisailam. The following Power Houses will be under the control of Chief Engineer/ O&M/NSHES.
  - a. SSLM Left Bank Power House.
  - b. Nagarjuna Sagar Power House.
  - c. Nagarjuna Sagar Left Canal Power House.
  - d. Pulichintala Hydro Electric Scheme(O&M)
  - e. Priyadarshini Jurala Hydro Electric Scheme.
  - f. Lower Jurala Hydro Electric Scheme (O&M)
  - g. All the Power Houses under the control of SE/MHS/ Pochampad except PABR.
  - h. AMRPLIS/Puttamgandi.
  - i. Solar Power Plant (1.0 MW) at PJHES.

Six (6) rooms in the 24 room project Hostel (Vidyut Sadan) will be allotted for the use of NSRCPH for a maximum period of five (5) years on rental basis. Rental charges to be paid as per G.O.Ms. No.63, dated 18.4.2011.

- **Nagajunasagar Tail Pond Dam and Power House (2x25 MW):** Power house, staff colony, stores, office buildings and guest houses are situated in Guntur District and hence comes under residual Andhra Pradesh. Dam is across the river connecting the banks of both states i.e., left bank Telangana and right bank Andhra Pradesh. The project is under construction. About 90% of the work is completed so far and is likely to be completed by 31.12.2014.

The dam is purely for pumped storage operation and power generation at NS Tail Pond Dam Power House.

As there is no irrigation component, no day to day operations are involved. Hence, the operation and maintenance of the dam shall be under the control of NS Tail Pond Dam Power House for better coordination. However, as the cost of the dam is chargeable to NSPH, necessary O&M charges of the Dam shall be reimbursed by NSPH to NSTPD.

- **MACHKUND POWER HOUSE**

Machkund Power House with an installed capacity of 120 MW is a joint project with Orissa and Andhra Pradesh with 50%:50% shares respectively. The Power house is situated in Orissa State. The assets of A.P. Government in this project will be transferred to the Government of residual Andhra Pradesh. However, power of AP share shall be shared between AP & TG States as per AP Re-organisation Act, 2014.

○ **A.P.POWER HOUSE BALIMELA 2x30 MW.**

The power House is situated in Orissa. The project construction is held up since 1992 and is proposed to be executed jointly with Government of Orissa on 50:50 basis. This project stands transferred to the residual State of Andhra Pradesh. However, power of AP share shall be shared between AP & TG States as per AP Re-organisation Act, 2014.

○ **TB DAM POWER HOUSE COMPLEX**

TB Dam Power Complex consisting of Dam Power House (4x9 MW) and Hampi Power House (4x9 MW) is a joint project between Government of Karnataka and Govt. of Andhra Pradesh with 20%:80% shares respectively. The assets of this project may be transferred to Govt. of residual Andhra Pradesh. However, power of AP share shall be shared between AP & TG States as per AP Re-organisation Act, 2014.

- **General Assets/Liabilities:** Special tools and equipments, material handling equipments, earth movers, bulldozers, concrete mixtures, cranes, trailers, heavy and light vehicles, furniture, fixtures, office equipments, air conditioners, refrigerators, computers and signal systems, spares, consumables, raw materials, lands and civil works installations including roads, buildings, schools, dispensaries, testing laboratories and equipments, training centers, workshops, works in progress, machineries and equipments set for repairs, scraps and obsolete shall be shared as is where is basis except at head quarters. At head quarters movable assets shall be divided as per the government guidelines.

• **APPDCL**

The Equity of APGENCO and Government of Andhra Pradesh shall be retained by Andhra Pradesh (Residual). 17.45% of APCPDCL share of equity will be transferred to APSPDCL in accordance with GO Ms NO 20 of Energy Department dated 08-05-2014 due to transfer of 2 Districts of Ananthapur and Kurnool to APSPDCL .

Name of the Share Holder	Present Share holding pattern of existing project cost
	%
APGENCO (Andhra Pradesh Residual)	51.00
GoAP (Residual)	4.78
APEPDCL	6.99
APSPDCL	13.39
APCPDCL	16.82
APNPDCL	7.02
Total	100.00

The Equity of APGENCO and Government of Andhra Pradesh retained by Andhra Pradesh (Residual), as the plant is located in the District of Sri Potti Sri Ramulu Nellore and it is in the geographical area of the residual state of Andhra Pradesh and hence, as per the Andhra Pradesh State Re-organisation Act, 2014, and the Assets and Liabilities of SDSTPS will be retained by Andhra Pradesh (Residual).

The remaining assets and liabilities of APPDCL if any at Head Quarters will be distributed among Andhra Pradesh and Telangana in the population ratio.

- **Man Power of APPDCL:** Sanctioned posts of SDSTPS will go to Andhra Pradesh (Residual) as these posts are exclusively sanctioned for SDSTPS. There are no posts sanctioned at head quarters either for SDSTPS or head quarter of APPDCL.



- **Disinvestments by certain DISCOMs:** In case of any disinvestment of APPDCL equity by CPDCL and NPDCL the first right of refusal should be given to the residual state of Andhra Pradesh or its nominees/assignees.
- **Management of APPDCL:** The management of APPDCL will be in the hands of the residual State of Andhra Pradesh in view of its share holding (residual State of Andhra Pradesh and its concerns). The two distribution companies i.e., CPDCL and NPDCL may nominate its nominees as Directors on the Board of APPDCL as long as the above two companies continues as share holders by having more than 10% equity.

● **ALLOTMENT OF COAL BLOCKS**

Sl.No.	Name of coal block	Mineable Reserves	End Use Projects	Reserves for	
				State of Andhra Pradesh	State of Telangana
1	Suliyari Belwar	150	1X800 MW Unit at Dr. NTPS, 1X800 MW unit at KTPS.	75	75
2	Tadicherla-I	45	1X600 MW unit at Kakatiya Thermal Power Project	Nil	45
3	SARPAL-NAUPARA	280	1X800 MW unit at Srikakulam and 1X800 MW unit at Kakatiya Thermal Power Project, Stage-III	140	140
<b>Total</b>		<b>475</b>		<b>215</b>	<b>260</b>

The above allocation of coal blocks were made by Government after taking into consideration of the end use projects.

**Nuagon Telishhi:** Mineable Reserves are 450 million tonnes and end use projects are identified as 3x800 MW Units at Srikakulam and 5x800 MW Units at Vodarevu at the time of allocation. The said units are not yet grounded and hence, the mineable reserves may be allocated to both the States as per the ratio 58.32:41.68 to APGENCO & TGGENCO to both the States and necessary request may be made to the Ministry of Coal, Government of India for change of end use projects by the successor entities.

The office space at head quarters between APGENCO & TGGENCO shall be shared in the ratio of 58.32:41.68.

● **Bifurcation of pension liability (bonds issued to Master trust):**

Outstanding pension liability (bonds issued to Master Trust) as on 31<sup>st</sup> March 2014 aggregating to INR 3,247.95 crore (out of a total liability of INR 4386.95 Cr. that was vested in APGENCO as part of the 1<sup>st</sup> Transfer Scheme dated 1<sup>st</sup> February 1999) pertains to services rendered by

- a. Pensioners/family pensioners as on 31<sup>st</sup> January 1999 and,
- b. Employees on the rolls of APSEB as on 31<sup>st</sup> January 1999 and who have been subsequently working for APGENCO, APTRANSCO and 4 DISCOMS and retired thereafter

As part of bifurcation process, the following available options are considered to split this liability:

- c. Based on the number of employees at Andhra Pradesh and Telangana who are employed as well as retired across the existing six companies mentioned above,
- d. Based on net fixed assets/generating stations (thermal as well as hydel) in each region and corresponding liability of generating stations as per Tariff order issued by APERC for 2006-07, 2007-08 and 2008-09 dated 4 July 2013.

The yearly repayment of the

- e. principal component of the liability as per the bond schedule
- f. interest on the outstanding pension liability as per the bond schedule and
- g. additional interest (excess of the annual pension payment over the first two components)

are paid by APGENCO to the Master Trust to enable the Master Trust to pay

- i. 100% pension commitment of pensioners as on 31.1.1999 and
- ii. 74% of pension commitment of employees who retired after 1.2.1999 and are eligible for pension.

Pension liability post 1<sup>st</sup> February 1999 for the erstwhile APSEB Employees w.e.f. 1<sup>st</sup> February 1999 is being funded by the respective companies' (APGENCO, APTRANSCO and 4 DISCOMS) P&G trust. These 6 companies' P&G trusts will meet 26% of pension being paid to employees who retired after 1.2.1999 and are eligible for pension.

Thus, Pension payments during the year – Principal repayment during the year = Interest for the year [(b)+(c)]. The total interest paid by APGENCO i.e.

- Normal interest as per bond schedule and
- Additional interest, is absorbed through tariff.

The interest liability was considered in computation of tariff for generating stations as specified in the Tariff Order.

Hence, management has allocated this liability to corresponding generating stations as specified in the Tariff Order i.e. Accordingly, the total outstanding Master Trust Liability of INR 3247.95 Cr. pertaining to each region works out to INR 917.38 crores (28.24% of the Total Liability) for Andhra Pradesh and INR 2,330.57 crores (71.76% of the total liability) for Telangana.

- **Proposed adjustment:**

An analysis of pension payment for 2013-14 indicate that:

- a. 29,951 (55.2%) employees draw pension from generating stations which fall under precincts of Andhra Pradesh and
- b. 24,318 (44.8%) employees from generating stations which fall under precincts of Telangana,

The above analysis indicates that it is not in line with the split of pension liability as per the Tariff Order as specified in Section I, Point 5.

Hence, to avoid any inconvenience to employees it is important to ensure continuity of pension payment from same unit from where employee was drawing pension till date. Henceforth two options are proposed:

- c. Transfer pension liability to the extent of INR 951.7 Cr from Telangana to Andhra Pradesh; it is proposed to transfer DISCOM bonds aggregating INR 444.31 Cr from Telangana to Andhra Pradesh and long term working capital liability aggregating INR 507.3 Cr from Andhra Pradesh to Telangana in lieu of this liability, in line with section 53 (2) of the Andhra Pradesh Reorganisation Act, 2014, reproduced below for easy reference:

*“Upon apportionment of the assets and liabilities, such assets and liabilities shall be transferred in physical form on mutual agreement or by making payment or adjustment through any other mode as may be agreed to by the successor States”*

- d. Yearly pension cost is allocated to both APGENCO and TG GENCO in the ratio of current split of liability as per Tariff Order and Telangana compensates Andhra Pradesh or vice versa for any amount paid in excess of the liability which may not be practicable.
- **IT Infrastructure and ERP Software:** IT infrastructure, System software, General software and ERP software at Head Quarter shall be used jointly by both GENCOs till both GENCOs create their own IT Infrastructure and software. Operation and maintenance cost of such common infrastructure shall be shared by both GENCOs on installed capacity of power stations in both the Regions. For the purpose of operational convenience, Operation and Maintenance will be handled by AP GENCO as all the licenses for System Software and ERP etc are in the name of APGENCO. On creation of separate IT infrastructure by both GENCOs, IT hardware shall be divided between two GENCOs based on installed capacity of power stations in the both the Regions. All software which are licensed in the name of APGENCO will be retained by APGENCO as same cannot be transferred to TG GENCO.
  - **Contracts under progress:** As per section 60(1) (a) of the Act, All the contracts which cover works exclusively for Telangana Region Plants, shall get transferred to TG GENCO along with corresponding liability. Contracts which cover works spread over both the states (for example supply of coal, oil, and any other centralized items), shall be executed by APGENCO and allocated based on the installed capacity to both the Region Plants/successors entities till the contract are completed or foreclosed.
  - **Rights and obligations of third parties restricted:** Upon the transfer being effected in accordance with the provisions of the Act and these rules, the rights and obligations of all persons shall be restricted to the Transferee to whom they are assigned to and notwithstanding anything to the contrary contained in any deed, documents, instruments, agreements or arrangements which such person has with the Board, he shall not claim any right or interest against the transferor company or any other transferee company.
  - **Pending suits, Proceedings etc.:** All Proceedings of whatever nature by or against the company pending on the date of these rules shall not abate or discontinue or otherwise in anyway prejudicial be affected by reason of the transfer scheme mentioned in the Act and in these rules but the Proceedings may be continued, prosecuted and enforced by or against the Government or after the transfer of the Undertakings, by or against the notified transferee to whom the same are assigned in accordance with the transfer scheme only and nobody else. Such Proceedings may be continued in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Board if the transfers specified in these rules had not been made.
  - Schedule-F deals with BGs and LCs issued by APGENCO.
  - Schedule-H deals with list of contingent liabilities.

## SCHEDULE-A

Balance sheet of TGGENCO	
INR crores	31-Mar-14
<b>EQUITY AND LIABILITIES</b>	
<b>Shareholder's funds</b>	
Share Capital	1,038
Reserves and Surplus	1,295
<b>Shareholder's funds - total</b>	<b>2,333</b>
<b>Non-Current liabilities</b>	
Long term borrowings	7,926
Employee related funds	1,379
Deferred tax liabilities (net)	858
Other long term liabilities	187
Long term provisions	462
<b>Non-Current liabilities - total</b>	<b>10,812</b>
<b>Current liabilities</b>	
Short term borrowings	345
Trades payables	394
Other current liabilities	1,022
Short term provisions	-
<b>Current liabilities - total</b>	<b>1,761</b>
<b>Total equity and liabilities</b>	<b>14,906</b>
<b>ASSETS</b>	
<b>Non current assets</b>	
<b>Fixed assets</b>	
(i) Tangible assets	8,056
(ii) Intangible assets	-
(iii) Capital work-in-progress	4,799
<b>Fixed assets - total</b>	<b>12,855</b>
Non current investments	9
Long term loans and advances	179
<b>Non current assets - total</b>	<b>13,043</b>
<b>Current Assets</b>	
Inventories	446
Trade receivables	1,341
Cash and cash equivalents	47
Short term loans and advances	4
Other current assets	25
<b>Current Assets - total</b>	<b>1,863</b>
<b>Total assets</b>	<b>14,906</b>

Balance sheet of APGENCO	
INR crores	31-Mar-14
<b>EQUITY AND LIABILITIES</b>	
<b>Shareholder's funds</b>	
Share Capital	1,069
Reserves and Surplus	959
<b>Shareholder's funds - total</b>	<b>2,028</b>
<b>Non-Current liabilities</b>	
Long term borrowings	4,592
Employee related funds	1,874
Deferred tax liabilities (net)	426
Other long term liabilities	262
Long term provisions	400
<b>Non-Current liabilities - total</b>	<b>7,554</b>
<b>Current liabilities</b>	
Short term borrowings	396
Trades payables	471
Other current liabilities	1,049
Short term provisions	2
<b>Current liabilities - total</b>	<b>1,918</b>
<b>Total equity and liabilities</b>	<b>11,500</b>
<b>ASSETS</b>	
<b>Non current assets</b>	
<b>Fixed assets</b>	
(i) Tangible assets	4,842
(ii) Intangible assets	0
(iii) Capital work-in-progress	1,950
<b>Fixed assets - total</b>	<b>6,792</b>
Non current investments	2,234
Long term loans and advances	239
<b>Non current assets - total</b>	<b>9,265</b>
<b>Current Assets</b>	
Inventories	411
Trade receivables	1,727
Cash and cash equivalents	53
Short term loans and advances	6
Other current assets	38
<b>Current Assets - total</b>	<b>2,235</b>
<b>Total assets</b>	<b>11,500</b>

Andhra Pradesh Power Generation Corporation Limited  
Provisional basis of allocation for demerger

General note

The basis of allocation of assets and liabilities for FY 2014 is based on Provisional Balance sheet as at 31 March 2014.

Provisional basis of allocation for demerger									
INR in Crores	Basis of Allocation	Segregation as at 31-March-14					Final allocation		
		Assets and Liabilities allocated to Andhra Pradesh	Assets and Liabilities allocated to Telengana	Common Assets and Liabilities	Assets and Liabilities at HQ	Total	AP	Telengana	Total
EQUITY AND LIABILITIES									
Shareholder's funds Share capital	Share capital has been apportioned to specific units in Andhra Pradesh and Telangana based on a Commission Order passed by the APERC. The order requires the apportionment of the Share Capital based on gross fixed assets ratio. Share capital as at 31 March 2014 has been split in ratio of gross fixed assets as at 31 March 2014. Gross fixed assets for individual projects forming part of (i) Sileru complex, (ii) Nagarjuna Sagar complex, (iii) Small Hydel projects and (iv) Mini Hydel projects is not available and thus the same has been apportioned in the to respective states in which each project resides based on installed capacity ratio.	-	-	2,107	-	2,107	1,069	1,038	2,107
Reserves and surplus	Balancing Figure i.e. (Total Assets - Total Liabilities - Equity)			2,254	-	-	959	1,295	2,254
Shareholder's funds - total Non-Current liabilities							2,028	2,333	4,361

<b>Long term borrowings</b>	<p>Long Term Borrowings comprises secured loans from banks and financial institutions and unsecured loans from Financial Institutions. Facilities availed for specific projects have been allocated to the state in which the project is located. Common liabilities (INR 963.35 Crores) pertain to long term working capital borrowings. These have been allocated to respective state in ratio of working capital ratio (before allocation of common assets and liabilities).</p> <p>Long term borrowings to the tune of INR 387 Cr. pertaining to Nagarjuna Sagar Tail Pond Dam (Unit 7401) have been segregated between the states of Andhra Pradesh and Telangana in the ratio of Capital Work in Progress corresponding to the Tail Pond Dam Reservoir which falls within the precincts of Telangana and the associated power project which falls within Andhra Pradesh.</p>	4,584	6,971	963	-	12,518	4592	7926	12,518
<b>Employee related funds and provisions</b>	<p>Group Insurance Scheme Liabilities pertaining to specific units have been allocated to the state in which the unit is located. In absence of information, common Group Insurance Liabilities at the headquarters, has been apportioned in the ratio of number of employees covered under the Group Insurance Scheme.</p> <p>Outstanding pension liability (bonds issued to Master Trust) as on 31st March 2014 aggregating to INR 3,247.95 crore (out of a total liability of INR 4,386.95 crore that was vested in APGENCO as part of the 1st Transfer Scheme dated 1st February 1999) pertains to services rendered by (i) Pensioners/family pensioners as on 31st January 1999 and, (ii) Employees on the rolls of APSEB as on 31st January 1999 and who have been subsequently working for APGENCO, APTRANSCO and 4 DISCOMS and retired thereafter. These pension fund bonds have been apportioned to Andhra Pradesh and Telangana on the basis of net fixed assets/generating stations (thermal as well as hydel) in each region and corresponding liability of generating stations as per Tariff order issued by APERC for 2006-07, 2007-08 and 2008-09 dated 4 July 2013.</p>	5	(0)	3,248	-	3,253	1874	1,379	3,253
<b>Deferred Tax Liabilities</b>	Deferred Tax Liabilities and corresponding assets have been identified against each specific unit and have been allocated to the state in which the unit is located	-	-	1,284	-	1,284	426	858	1,284

Other long term liabilities	<p><b>Capital Liability for Contractors:</b> Balances pertaining to specific units have been allocated to the state in which the unit is located.</p> <p><b>Purchase of Power:</b> Liabilities against purchase of power from DISCOMS have been apportioned in the ratio of Net Working Capital (before allocation of common asset and liabilities).</p> <p><b>O&amp;M Liabilities to suppliers and contractors:</b> Balances pertaining to specific units have been allocated to the state in which the unit is located. In absence of information, common long term liabilities at the headquarters, have been apportioned in the Net Working Capital ratio (before allocation of common asset and liabilities).</p> <p>Liabilities pertaining to Nagarjuna Sagar Tail Pond Dam (Unit 7401) have been segregated between the states of Andhra Pradesh and Telangana in the ratio of Capital Work in Progress corresponding to the Tail Pond Dam Reservoir which falls within the precincts of Telangana and the associated power project which falls within Andhra Pradesh.</p>	262	187	-	449	262	187	449	
Long Term Provisions	<p>This comprises provision for pension and gratuity, compensated absences, employee provisions and provision for coal supplies, O&amp;M related supplies and other G&amp;A Expenses. Balances pertaining to specific units have been allocated to the state in which the unit is located.</p> <p>Common liabilities pertain to employee related provisions of APGENCO booked at the headquarters. These have been apportioned in the ratio of total number of existing employees covered under GPF (for employees who joined prior to 1.2.99) and EPF (for employees who joined post 1.2.99). This needs to be revised post final allocation of employees by the Kamalnathan Committee.</p>	28	69	765	-	862	400	462	862
Non-Current liabilities - total						7,554	10,812	18,366	
Current liabilities									
Short Term Borrowings	<p>Short term borrowings comprises cash credit facilities amounting to INR 740.67 Cr. which have been allocated in net working capital ratio (before allocation of common asset and liabilities).</p>	-	-	741	-	741	396	345	741
Trade payables	<p><b>Coal and Oil:</b> Coal and oil dues pertaining to specific units have been allocated to the state in which the unit is located. In absence of information, common trade payables have been apportioned in the Net Working Capital Ratio (before allocation of common asset and liabilities).</p>	471	394	0	-	865	471	394	865





i. Tangibles Assets	<p>Assets pertaining to specific units have been allocated to the state in which the unit is located. We understand that fixed assets details are maintained by unit and this information has been extracted directly from accounting system, except for Nagarjuna Sagar Tail Pond Dam, Lower Sileru/Donkarai, NSHES and Mini Hydel for which basis of allocation has been explained below.</p> <p>Common assets (including the Eragatta building at Hyderabad) have been apportioned in the Fixed Assets ratio (before allocation of common fixed assets) of the two states.</p> <p>Assets pertaining to Nagarjuna Sagar Tail Pond Dam (Unit 7401) have been segregated between the states of Andhra Pradesh and Telangana in the ratio of Capital Work in Progress corresponding to the Tail Pond Dam Reservoir which falls within the precincts of Telangana and the associated power project which falls within Andhra Pradesh.</p> <p>Assets pertaining to the Lower Sileru and Donkarai units (Unit no. 7300) have been segregated between the states of Andhra Pradesh and Telangana in the ratio of the installed capacity of the respective projects. Lower Sileru (460 MW) falls within the precincts of the State of Telangana and Donkarai (25 MW) within Andhra Pradesh</p> <p>Similarly, assets pertaining to the NSHES units (Unit no. 7400) have been segregated between the states of Andhra Pradesh and Telangana in the ratio of the installed capacity of the respective projects. NSHES Power Project and NSHES Left Canal (875 MW) falls within the precincts of the State of Telangana and NSHES Right Canal (90 MW) within Andhra Pradesh</p> <p>Assets pertaining to the Mini Hydel units (Unit No. 7701) have been segregated between the states of Andhra Pradesh and Telangana in the ratio of installed capacity of the respective projects. Chettipeta Mini Hydel Project (1 MW) falls within the precincts of Andhra Pradesh and the Palair (2 MW), Pochampadu (36 MW), Peddapally (9.16 MW) and Singur HES (15 MW) projects within the State of Telangana</p>	4,838	8,050	1	9	12,898	4,842	8,056	12,898
ii. Intangible Assets	<p>Assets pertaining to specific units have been allocated to the state in which the unit is located.</p>	0	-	-	-	0	0	-	0

iii. Capital Work in Progress	Capital work in progress (CWIP) pertaining to specific units have been allocated to the state in which the unit is located. We understand that CWIP details are maintained by unit and this information has been extracted directly from accounting system, except for Nagarjuna Sagar Tail Pond Dam, Lower Sileru/Donkarai, NSHES and Mini Hydel for which basis of allocation has been explained below.ERP implementation cost for Project Shakti (under HQ) have been apportioned according to the overall CWIP ratio. Renovation and modernization costs at the Machkund O&M unit have been apportioned in the overall CWIP ratio.CWIP pertaining to Nagarjuna Sagar Tail Pond Dam (Unit 7401) have been segregated between the states of Andhra Pradesh and Telangana in the ratio of Capital Work in Progress corresponding to the Tail Pond Dam Reservoir which falls within the precincts of Telangana and the associated power project which falls within Andhra Pradesh.CWIP pertaining to the Lower Sileru and Donkarai units (Unit no. 7300) have been segregated between the states of Andhra Pradesh and Telangana in the ratio of the installed capacity of the respective projects. Lower Sileru (460 MW) falls within the precincts of the State of Telangana and Donkarai (25 MW) within Andhra PradeshSimilarly, CWIP pertaining to the NSHES units (Unit no. 7400) have been segregated between the states of Andhra Pradesh and Telangana in the ratio of the installed capacity of the respective projects. NSHES Power Project and NSHES Left Canal (875 MW) falls within the precincts of the State of Telangana and NSHES Right Canal (90 MW) within Andhra PradeshCWIP pertaining to the Mini Hydel units (Unit No. 7701) have been segregated between the states of Andhra Pradesh and Telangana in the ratio of installed capacity of the respective projects. Chettipeta Mini Hydel Project (1 MW) falls within the precincts of Andhra Pradesh and the Palair ( 2 MW), Pochampadu (36 MW), Peddapally (9.16 MW) and Singur HES (15 MW) projects within the State of Telangana	1,945	4,785	0	19	6,749	1,950	4,799	6,749
Net Block - total						19,647	6,792	12,855	19,647

<b>Non current investments</b> <b>Investment in Equity Shares</b>	INR 1022.94 Cr. equity investment in APPDCL a subsidiary of APGENCO. All units of APPDCL are situated in the Nellore District which falls within residuary Andhra Pradesh. Hence, this has been allocated to AP.  Investment in AP Gas Infrastructure Corporation Limited have been treated as common investments since the entity did not commence operations. This investment has been been apportioned in the population ratio	1,023	-	-	20	1,043	1,034	9	1,043
<b>Investment in DISCOM bonds</b>	This represents government bonds worth INR 1200 Cr. allotted by Discoms in consideration of overdue receivables. These have been identified against each DISCOM and have been allocated to the state to which the DISCOM belongs. Further, an adjustment has been made for 18% of DISCOM bonds issued by CPDCL, as two districts which are currently under CPDCL fall within Andhra Pradesh Hence, would be transferred to SPDCL, which falls under Andhra Pradesh.	-	-	1,200	-	1,200	1200	0	1,200
<b>Non current investments - total</b>						<b>2,243</b>	<b>2,234</b>	<b>9</b>	<b>2,243</b>
<b>Long term loans and advances</b>									
Capital Advance	Capital advances pertaining to specific units have been allocated to the state in which the unit is located.  Assets pertaining to Nagarjuna Sagar Tail Pond Dam (Unit 7401) have been segregated between the states of Andhra Pradesh and Telangana in the ratio of Capital Work in Progress corresponding to the Tail Pond Dam Reservoir which falls within the precincts of Telangana and the associated power project which falls within Andhra Pradesh.	133	28	-	-	161	133	28	161
Security Deposits	Security deposits pertaining to specific units have been allocated to the state in which the unit is located.  Assets pertaining to Nagarjuna Sagar Tail Pond Dam (Unit 7401) have been segregated between the states of Andhra Pradesh and Telangana in the ratio of Capital Work in Progress corresponding to the Tail Pond Dam Reservoir which falls within the precincts of Telangana and the associated power project which falls within Andhra Pradesh.	36	38	-	-	74	36	38	74

Deposits - Land Acquisition and Others	Deposits paid against land acquisitions pertaining to specific units have been allocated to the state in which the unit is located.								
	Assets pertaining to Nagarjuna Sagar Tail Pond Dam (Unit 7401) have been segregated between the states of Andhra Pradesh and Telangana in the ratio of Capital Work in Progress corresponding to the Tail Pond Dam Reservoir which falls within the precincts of Telangana and the associated power project which falls within Andhra Pradesh.	17	73	-	-	90	17	73	90
Staff Advances	Staff advances pertaining to specific units have been allocated to the state in which the unit is located. In absence of pending final allocation of employees by Kamalnath committee, employee related common asset and liabilities have been allocated in ratio of existing employees covered under GPF and EPF schemes. This needs to be revised post final allocation of employees.	31	25	0	-	56	31	25	56
Loans and Advances to suppliers and contractors	Loans and Advances to Suppliers and Contractors pertaining to specific units have been allocated to the state in which the unit is located. For the common loans and advances at the headquarters, the same have been apportioned in the Net Working Capital ratio (before allocation of common asset and liabilities).	21	15	1	-	37	22	15	37
<b>Long term loans and advances - total</b>							<b>239</b>	<b>179</b>	<b>418</b>
<b>Non current assets - total</b>							<b>9,265</b>	<b>13,043</b>	<b>22,308</b>
<b>Current assets</b>									
<b>Inventories</b>	Inventory balances pertaining to units, have been allocated to the state in which the unit is located. Common inventory at the Headquarters have been apportioned in the Net Working Capital Ratio (before allocation of common asset and liabilities).  Inventories pertaining to Nagarjuna Sagar Tail Pond Dam (Unit 7401) have been segregated between the states of Andhra Pradesh and Telangana in the ratio of Capital Work in Progress corresponding to the Tail Pond Dam Reservoir which falls within the precincts of Telangana and the associated power project which falls within Andhra Pradesh, as specific identification is not possible.	410	446	1	-	857	411	446	857
<b>Trade receivables</b>	Receivable balance has been allocated to the state in the power generation ratio of year ended 31 March 2014 (AP: Telangana = 56.3:43.7). Both common receivables and receivables at the Headquarters have been apportioned in the Net Working Capital Ratio (before allocation of common asset and liabilities).	1,709	1,325	34	-	3,068	1,727	1,341	3,068

<b>Cash and cash equivalents</b>	Cash and bank balances of specific units, have been allocated in the state in which the unit is located. Cash and bank balances pertaining to headquarters have been allocated in the Population ratio.  Cash and Cash Equivalents pertaining to Nagarjuna Sagar Tail Pond Dam (Unit 7401) have been segregated between the states of Andhra Pradesh and Telangana in the ratio of Capital Work in Progress corresponding to the Tail Pond Dam Reservoir which falls within the precincts of Telangana and the associated power project which falls within Andhra Pradesh.	38	33	(2)	31	100	53	47	100
<b>Short term Loans and advances</b>	Advances to O&M suppliers and Staff Advances pertaining to specific units have been allocated to the state in which the unit is located.	6	4	(0)	-	10	6	4	10
<b>Other current assets</b>									
Income/Interest Accrued	Interest income accrued pertaining to specific units have been allocated to the state in which the unit is located.	23	16	-	-	39	23	16	39
Bank Deposits And Other Bank Balances	Bank deposits and other bank balances pertaining to specific units have been allocated to the state in which the unit is located.	-	0	-	-	0	-	0	0
Other Deposits	Other deposits pertaining to specific units have been allocated to the state in which the unit is located.	(3)	7	-	-	4	(3)	7	4
Other Receivables	Other receivables (insurance claims receivable, TDS receivable, receivables against sale of scrap) pertaining to specific units have been allocated to the state in which the unit is located. For the common other receivables at the headquarters, the same have been apportioned in the Net Working Capital ratio (before allocation of common asset and liabilities).	12	9	0	-	21	12	9	21
Inter Unit Accounts	Inter unit balances pertaining to specific units have been allocated to the state in which the unit is located.	6	-	-	-	6	6	-	6
Allowance For Doubtful Receivables	Allowance for doubtful receivables pertaining to specific units have been allocated to the state in which the unit is located. In absence of information, common allowance at the headquarters, has been apportioned in the Net Working Capital ratio (before allocation of common asset and liabilities).	(1)	(7)	(0)	-	(8)	(1)	(7)	(8)
<b>Other current assets - total</b>							<b>38</b>	<b>25</b>	<b>63</b>
<b>Current Assets - total</b>							2,234	1,862	4,097
<b>Total assets</b>							<b>11,500</b>	<b>14,906</b>	<b>26,406</b>

### **SCHEDULE-‘B’**

Generation Undertakings of Andhra Pradesh Power Generation Corporation Limited apportioned to the successor state of Telangana

Unless otherwise specified by the State Government the Generation Undertakings shall comprise of all the assets, liabilities and Proceedings concerning Generation consisting of-

#### **1. Power Stations:**

##### **Thermal:**

- (a) Kothagudem Thermal Power Station ‘A’ with 4 generating units of 60 MW capacity each along with all associated and related equipment such as generators, turbines, boilers, auxiliary units with controls and instrumentation, Railway sidings, coal handling system, ash handling system, ash pond, raw water supply and treatment system, cooling towers, secondary fuel oil storage facilities and its handling system, switchyard including step up transformers, step down transformers, circuit breakers, control and protection system, overhead cranes, stores, spare parts, consumables, raw materials etc., and works in progress.
- (b) Kothagudem Thermal Power Station ‘B’ with 2 generating units of 120 MW capacity each along with all associated and related equipment such as generators, turbines, boilers, auxiliary units with controls and instrumentation, Railway sidings, coal handling system, ash handling system, ash pond, raw water supply and treatment system, cooling towers, secondary fuel oil storage facilities and its handling system, switchyard including step up transformers, step down transformers, circuit breakers, control and protection system, overhead cranes, stores, spare parts, consumables, raw materials etc., and works in progress.
- (c) Kothagudem Thermal Power Station ‘C’ with 2 generating units of 120 MW capacity each along with all associated and related equipment such as generators, turbines, boilers, auxiliary units with controls and instrumentation, Railway sidings, coal handling system, ash handling system, ash pond, raw water supply and treatment system, cooling towers, secondary fuel oil storage facilities and its handling system, switchyard including step up transformers, step down transformers, circuit breakers, control and protection system, overhead cranes, stores, spare parts, consumables, raw materials etc., and works in progress.
- (d) Kothagudem Vth Stage with 2 generating units of 250 MW capacity each along with all associated and related equipment such as generators, turbines, boilers, auxiliary units with controls and instrumentation, Railway sidings, coal handling system, ash handling system, ash pond, raw water supply and treatment system, cooling towers, secondary fuel oil storage facilities and its handling system, switchyard including step up transformers, step down transformers, circuit breakers, control and protection system, overhead cranes, stores, spare parts, consumables, raw materials etc., and works in progress.
- (e) Kothagudem VIth Stage with one Generating unit of 500 MW capacity along with all associated and related equipment such as generators, turbines, boilers, auxiliary units with controls and instrumentation, Railway sidings, coal handling system, ash handling system, ash pond, raw water supply and treatment system, cooling towers, secondary fuel oil storage facilities and its handling system, switchyard including step up transformers, step down transformers, circuit breakers, control and protection system, overhead cranes, stores, spare parts, consumables, raw materials etc., and works in progress.
- (f) Ramagundam Thermal Power Station ‘B’ with one unit of 62.5 MW capacity along with all associated and related equipment such as generators, turbines, boilers, auxiliary units with controls and instrumentation, Railway sidings, coal handling system, ash handling system, ash pond, raw water supply and treatment system, cooling towers, secondary fuel oil storage facilities and its handling system, switchyard including step up transformers, step down transformers, circuit breakers, control and protection system, overhead cranes, stores, spare parts, consumables, raw materials etc., and works in progress.

- (g) Kakatiya Thermal Power Project Stage-I with one unit of 500 MW capacity along with all associated and related equipment such as generators, turbines, boilers, auxiliary units with controls and instrumentation, Railway sidings, coal handling system, ash handling system, ash pond, raw water supply and treatment system, cooling towers, secondary fuel oil storage facilities and its handling system, switchyard including step up transformers, step down transformers, circuit breakers, control and protection system, overhead cranes, stores, spare parts, consumables, raw materials etc., and works in progress.

## 2. Hydel Stations:

- (a) Nizam Sagar Power House: Penstocks at intake structure, pen stock gates, power house, draft tube gate, tail race channel with 2 units of 5 MW capacity each along with generators, turbines and all associated and related equipment and switchyard including step up transformers, step down transformers, circuit breakers, control and protection system, pen stock and draft tube gates, overhead cranes, gantry cranes, hydraulic power hoists power house stores, spare parts, consumables, raw materials etc., and works in progress.
- (b) Lower Sileru Project:
  - (i) Lower Sileru Power House: Intake, power canal, AVP dam, forebay, intake to head race tunnel, surge shaft, valve house, penstock, Power house, draft tube gate, tail race channel with 4 units of 115 MW capacity each along with generators, turbines and all associated and related equipment and switch yard including step up transformers, step down transformers, circuit breakers, control and protection system, overhead cranes, gantry cranes, hydraulic power hoists power house stores, spare parts, consumables, raw materials etc., and works in progress.
- (c) Srisailem Left Bank Powerhouse: Penstocks and penstock gates, power house, draft tube gates, tail race channel with 6 units of 150 MW capacity each with generators, turbines and all associated and related equipment and switch yard including step up transformers, step down transformers, circuit breakers, control and protection system, overhead cranes, gantry cranes, hydraulic power hoists power house stores, spare parts, consumables, raw materials etc., and works in progress.
- (d) Nagarjunasagar Left Canal Power House: Penstocks and penstock gates, power house, draft tube gates, tail race channel with 2 units of 30 MW capacity each with generators, turbines and all associated and related equipment and switch yard including step up transformers, step down transformers, circuit breakers, control and protection system, overhead cranes, gantry cranes, hydraulic power hoists power house stores, spare parts, consumables, raw materials etc., and works in progress.
- (e) Nagarjunasagar Power House: Penstocks and penstock gates, power house, draft tube gates, tail race channel with 1 unit of 110 MW capacity and 7 units of 100.8 MW capacity each with generators, turbines and all associated and related equipment and switch yard including step up transformers, step down transformers, circuit breakers, control and protection system, overhead cranes, gantry cranes, hydraulic power hoists power house stores, spare parts, consumables, raw materials etc., and works in progress.
- (f) Priyadarshini Jurala Hydro Electric Project Power Blocks, Intake gates, Power House, draft tube gates, tail race Channel with 6 units of 39 MW capacity each with generators, turbines and all associated and related equipment and switchyard including step up Transformers, step down transformers, circuit breakers, control and protection system, overhead cranes, gantry cranes, hydraulic power hoists, power house stores, spare parts, consumables, raw materials etc., and works in progress.

50% of the power generated shall be sold to Govt. of Karnataka as per the inter-state agreement between the two States.



- (g) Pochampad Power House: Penstocks and penstock gates, power house, draft tube, tail race channel with 4 units of 9 MW capacity each with generators, turbines along with all associated and related equipment and switch yard including step up transformers, step down transformers, circuit breakers, control and protection system, overhead cranes, gantry cranes, hydraulic power hoists power house stores, spare parts, consumables, raw materials etc., and works in progress

## **II. MINI HYDEL PROJECTS**

- (a) 10 Mini Hydro Stations on Kakatiya Canal near Peddapalli in Karimnagar District with 2 units of 750 KW each, 10 units of 500 KW each, 2 units of 325 KW each, 3 units of 230 KW and 6 units of 220 KW each along with all associated and related equipment including step up transformers, step down transformers, circuit breakers, control and protection system, overhead cranes, gantry cranes, hydraulic power hoists power house stores, spare parts, consumables, raw materials and work in progress.
- (b) Power House at Singur Reservoir constructed across Manjeera River in Medak District with 2 units of 7.5 MW each along with all associated and related equipment including step up transformers, step down transformers, circuit breakers, control and protection system, overhead cranes, gantry cranes, hydraulic power hoists power house stores, spare parts, consumables, raw materials and work in progress.
- (a) Power House on Nagarjuna Sagar Left canal at Paleru in Khammam District with 2 units of 1 MW each alongwith all associated and related equipment including step up transformers, step down transformers, circuit breakers, control and protection system, pen stock and draft tube gates, tail race channel and power house stores, spare parts, consumables, raw materials, work in progress.

## **III. NON-CONVENTIONAL ENERGY GENERATING UNITS:**

- (a) Solar Plant at PJHEP, Revulapally in Mahboobnagar District with total power generation capacity of 1 MW along with associated equipment.

## **IV. POWER PROJECTS UNDER CONSTRUCTION:**

- (a) Kakatiya Thermal Power Plant stage II at Warangal District envisaging one unit generating 600 MW
- (b) Nagarjunasagar Tail Pond Dam (NSTPD) multipurpose reservoir located in Nalgonda district
- (c) Pulichintala Hydro Electric Power Project envisaging 4 units of 30 MW each at Nalgonda District.
- (d) Lower Jurala Hydro Electric Scheme envisaging 6 units of 40 MW each at Mahboobnagar District

## **V. GENERAL ASSETS/LIABILITIES:**

Special tools and equipments, material handling equipments, earth movers, bulldozers, concrete mixtures, cranes, trailers, heavy and light vehicles, furniture, fixtures, office equipments, air conditioners, refrigerators, computers and signal systems, spares, consumables, raw materials, lands and civil works installations including roads, buildings, schools, dispensaries, testing laboratories and equipments, training centers, workshops, works in progress, machineries and equipments set for repairs, scraps and obsolete.

## **VI. OTHER ASSETS: Other assets and movable properties including plant and machinery, motor car, jeeps, trucks, cranes, trailers and other vehicles.**

### **SCHEDULE-‘C’**

Generation Undertakings of Andhra Pradesh Power Generation Corporation Limited apportioned to the residuary state of Andhra Pradesh

Unless otherwise specified by the State Government the Generation Undertakings shall comprise of all the assets, liabilities and Proceedings concerning Generation consisting of-

#### **1. Power Stations:**

##### **Thermal:**

- (a) Dr. Narla Tata Rao Thermal Power Station (Dr. NTPS) with six generating units of 210 MW capacity each and one generating unit of 500 MW capacity along with all associated and related equipment such as generators, turbines, boilers, auxiliary units with controls and instrumentation, Railway sidings, coal handling system, ash handling system, ash pond, raw water supply and treatment system, cooling towers, secondary fuel oil storage facilities and its handling system, switchyard including step up transformers, step down transformers, circuit breakers, control and protection system, overhead cranes, stores, spare parts, consumables, raw materials etc., and works in progress
- (b) Rayalaseema Thermal Power Station with 5 units of 210 MW capacity each along with all associated and related equipment such as generators, turbines, boilers, auxiliary units with controls and instrumentation, Railway sidings, coal handling system, ash handling system, ash pond, raw water supply and treatment system, cooling towers, secondary fuel oil storage facilities and its handling system, switchyard including step up transformers, step down transformers, circuit breakers, control and protection system, overhead cranes, stores, spare parts, consumables, raw materials etc., and works in progress

#### **2. Hydel Stations:**

- (a) Machkund Hydro Electric Project: Inter State Project of AP Government and Orissa Government with 70% share of AP on cost and benefits with 3 units 17 MW and 3 units 23 MW. All assets are owned by the both the Governments in the same ratio. From 01.04.1979 onwards O&M expenses are being met by the both the Electricity Boards and earlier by both the Government and reaping the power benefits based on their share
- (b) TBHES (Inter-State Project of AP Government and Karnataka Government with 80% share of AP run by TB Board) with 8 units 9 MW capacity each (4 at TB Dam and 4 at Hampi). All assets are owned by the both the Governments reaping the power benefits based on their share
- (c) Srisailem Right Bank Hydro Electric Scheme with 7 units of 110 MW capacity each with generators, turbines and all associated and related equipment and switch yard including step up transformers, step down transformers, circuit breakers, control and protection system, overhead cranes, gantry cranes, hydraulic power hoists power house stores, spare parts, consumables, raw materials etc., and works in progress.
- (d) Upper Sileru Hydro Electric Scheme: Weir at Guntawada, Apil way gates, intake gates, water conducting system, forebay dam, penstock gates, tail race channel with 4 units of 60 MW capacity each along with generators, turbines and all associated and related equipment and switchyard including step up transformers, step down transformers, circuit breakers, control and protection system, pen stock and draft tube gates, overhead cranes, gantry cranes, hydraulic power hoists power house stores, spare parts, consumables, raw materials etc., and works in progress

- (e) Lower Sileru Project:
  - (i) Donkarayi Canal Power House: Donkarayi dam, penstock gate, penstock power house, draft tube gate, tail race channel with 1 unit of 25 MW capacity with generator, turbine along with all associated and related equipment and switch yard including step up transformers, step down transformers, circuit breakers, control and protection system, overhead cranes, gantry cranes, hydraulic power hoists power house stores, spare parts, consumables, raw materials etc., and works in progress.
- (d) Nagarjunasagar Right Canal Power House: Penstocks and penstock gates, power house, draft tube gates, tail race channel with 3 units of 30 MW capacity each with generators, turbines and all associated and related equipment and switch yard including step up transformers, step down transformers, circuit breakers, control and protection system, overhead cranes, gantry cranes, hydraulic power hoists power house stores, spare parts, consumables, raw materials etc., and works in progress.
- (f) Penna Ahobilam Hydro Electric Scheme: Penstocks and penstock gates, power house, draft tube, tail race channel with 2 units of 10 MW capacity each with generators, turbines along with all associated and related equipment and switch yard including step up transformers, step down transformers, circuit breakers, control and protection system, overhead cranes, gantry cranes, hydraulic power hoists power house stores, spare parts, consumables, raw materials etc., and works in progress.

## **II. MINI HYDEL PROJECTS**

- (a) Chettipeta Canal Power House in West Godavari District with 2 units of 500 KW each along with all associated and related equipment including step up transformers, step down transformers, circuit breakers, control and protection system, overhead cranes, gantry cranes, hydraulic power hoists power house stores, spare parts, consumables, raw materials and work in progress.

## **III. NON-CONVENTIONAL ENERGY GENERATING UNITS:**

- (a) Windfarm at Ramagiri in Ananthapur District with 10 units of 200 KW each along with associated equipment.

## **IV. POWER PROJECTS UNDER CONSTRUCTION:**

- (a) Rayalaseema TPP, Stage-IV (Unit6) at Cuddapah District with one unit generating 600 MW
- (b) Nagarjunasagar Tail Pond Dam (NSTPD) Power Project situated in Guntur District with 2 units envisaging 25 MW Hydro Generating Units.

## **V. GENERAL ASSETS/LIABILITIES:**

Special tools and equipments, material handling equipments, earth movers, bulldozers, concrete mixtures, cranes, trailers, heavy and light vehicles, furniture, fixtures, office equipments, air conditioners, refrigerators, computers and signal systems, spares, consumables, raw materials, lands and civil works installations including roads, buildings, schools, dispensaries, testing laboratories and equipments, training centers, workshops, works in progress, machineries and equipments set for repairs, scraps and obsolete.

## **VI. OTHER ASSETS:** Other assets and movable properties including plant and machinery, motor car, jeeps, trucks, cranes, trailers and other vehicles.

SCHEDULE-‘D’

List of Assets within the precincts of Andhra Pradesh hypothecated to Financial Institutions for funded projects in Telangana and vice versa

Details of Telangana assets hypothecated to Andhra Projects

Sl. No.	Name of the Project	Telangana Aseets hypothecated to Andhra Projects	To whom Hypothecat ed	Assets hypothecate d (INR Crores)	Proposal to relieve the assets
1	Rayalaseema Thermal Power Project - Stage-II	Moveble properties of Unit-IV to VII of NSHEP	PFC	360	APGENCO has requested to release the asset as the balance security will be sufficient at 110% to the extent of loan outstanding.
2	Rayalaseema Thermal Power Project - Stage-II	400 KV GAS Insulator, Switchgear complete with SF6 gas metal enclosed double bus bar with SF6 breaker, CTS of SLBHES	Punjab & Sind Bank	120	APGENCO has requested to release the assets by Punjab & Sind Bank as they will be substituted by the assets of "Boiler of Unit 5 of VTPS and CHP of VTPS II" on release of same by SBH.
3	Dr. NTPPS - IV	Unit 8 of N.Sagar Hydro Project	SBH	151	APGENCO has requested to release the assets by Punjab & Sind Bank as they will be substituted by "Turbine Generator & Transformers of Unit 4 & 7 of SRBHES on release of the same from Vijaya Bank.
4	Dr. NTPPS - IV	Unit 1 of RTS B consisting of turbine, generator, generator transformer and its auxilliaries	Punjab & Sind Bank	125	APGENCO has requested to release the assets by Punjab & Sind Bank as they will be substituted by "Boiler of Unit 4 and 6.6 KV Switch gear of VTPS-II & 400 KV Gas insulator switch gear of SRBHES" worth INR 180 Crores on release of same by SBH.

Details of Andhra assets hypothecated to Telangana Projects

Sl. No.	Name of the Project	Andhra Assets hypothecated to Telangana Projects	To whom Hypothecated	Assets hypothecated (INR Crores)	Proposal to relieve the assets
1	Priyadarshini Jurala Hydro Electric Scheme	Unit V & VI of SRBHEP, Consisting of Turbine, alternator and Transformer	PFC	222	APGENCO has requested to release the asset duly considering the repayment made and enhanced project cost from INR 547 Crores to INR 720 Crores.
2	Kakatiya Thermal Power Plant - I	Boiler, ESPs of RTPP Stage-I Unit I & II	REC	490	APGENCO has requested to release the asset as the exclusive assets of KTHPP-I are sufficient at 130% to the extent of loan outstanding and also by considering the present and future assets of the project
3	Kakatiya Thermal Power Plant - Stage-I	25 MW Turbine Generator and Auxilliaries of Donkarai	Bank of Baroda	55	APGENCO has requested to release the assets duly considering the repayment of loan and exclusive assets of Unit 3 & 4 of 115 MW each turbine, generator and auxiliaries of LSHES which are already under hypothecation.
4	Kakatiya Thermal Power Plant - Stage-I	Turbine Generator and transformers of Unit 4 and 7 of Srisailem Right Bank Power Station	Vijaya Bank	245	400 KV XLPE equipment cable and accessories of SLBHES worth INR 150 Crores are offered as security.
5	Kothagudem Thermal Power Station - Stage-VI	Assets of AHP of RTPP-I and CHP of RTPP-I	Tamilnad Mercantile Bank Ltd.	125	assets of Unit-II of SLBHES worth INR 200 Crores are offered as security.
6	Priyadarshini Jurala Hydro Electric Scheme	Boiler of Unit 5 of VTPS and CHP of VTPS Stage-II	SBH	120	The assets of Unit III of SLBHES worth INR 200 are offered
7	Nagarjunasagar Tail Pond Dam	Turbine Generator of Unit I & II of RTPP-I & II	SBH	246	The assets of Unit III of SLBHES worth INR 200 are offered
8	Lower Jurala	Boiler of Unit 4 and 6.6 KV Switchgear of VTPS Stage-II and 400 KV Switch gear of SRBHES	SBH	180	The assets of Unit I of RTS B worth INR 125 Crores will be hypothecated on release of same from Punjab & Sind Bank

9	Nagarjunasagar Tail Pond Dam	Turbine Generators of Unit 1 & 2 of RTPP-I	PFC	298	APGENCO has requested to release the asset by keeping in view of CWIP works valued INE 961 Crores as on 31 March 2013 and also keeping in view of the present and future assets of the project which are already under hypothecation.
		Pari-Passu charge on Unit-I of SRBHES		40	
		1st charge on RTPP Stage-II			
		1st charge on RTPP Stage-III			
		1st charge on Unit-3 of Nagarjuna Sagar Right Canal			
10	Lower Jurala	Pari-Passu charge on Unit-I of SRBHES	PFC		APGENCO has requested to release the asset by keeping in view of CWIP works valued INR 1117.93 Crores as on 31 March 2013 and also keeping in view of the present and future assets of the project which are already under hypothecation.
		1st charge on RTPP Stage-II			
		1st charge on RTPP Stage-III			
		1st charge on Unit-3 of Nagarjuna Sagar Right Canal			
		Total		2,022	

## Allocation of Cash credit limits of APGENCO as on 31.03.2014 between two Companies

Sl.No.	Bank Name	Nature of Account	Branch Name	Account Number	Total Limits (Rs./ Crores)	Limits allocated to TG GENCO (Rs./ Crores)	Limits allocated to APGENCO (Rs./Crores)
1	State Bank of Mysore	CC account	Ameerpet	54022132180	50	50	
2	State Bank of Hyderabad	CC account	Gunfoundry	52117754406	100	100	
3	Bank of Maharashtra	CC account	Sultan Bazar	20011321387	40	40	
4	Vijaya Bank	CC account	Koti	400306210005059	150	50	100
5	Central Bank of India	CC account	Bank Street	1033305009	25	25	
6	Andhra Bank	SOD a/c	Sultan Bazar	20506100050268	100		100
7	Canara Bank	CC account	R.P. Road, Sec'bad	617256000653	100	100	
8	Union Bank of India	CC account	Saifabad, Hyderabad	370605010044087	200		200
	<b>Total</b>				<b>765</b>	<b>365</b>	<b>400</b>

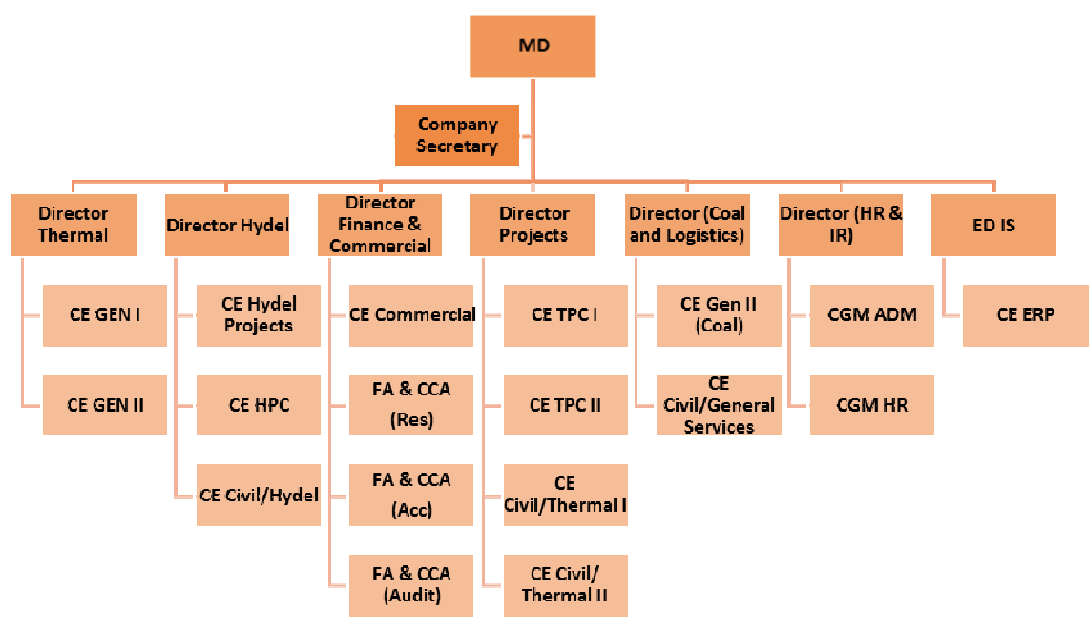
Schedule E

Bifurcation of Andhra Pradesh Power Generating Corporation – Proposed organization structure for the Generating companies of Andhra Pradesh & Telangana states

Current Organization structure:

The current Board of Directors consists of Managing Director, six Directors and one Executive Director. In addition, 13 Chief Engineers (CE), two Chief General Manager’s (CGM) report to their respective directors. The current organization structure of APGENCO (till board) is as shown below.

Figure 1 Current organization structure of APGENCO



As on date, there are a total of 1,005 employees working at the Headquarters against a sanctioned strength of 921 (certain field posts have been diverted to Head Quarters as per the requirement)

The posts at Headquarters have been broadly classified into two categories

- Technical Posts (360 No’s) – Chief Engineers (CE), Superintendent Engineer (SE) etc.
- Common support Services (558 No’s) which includes departments like Finance and Accounts (F&A), Security, Medical etc.



Need for a new organization structure

The Government of India has notified the Andhra Pradesh Reorganization Act 2014 (Act 6 of 2014), upon receiving the President of India’s assent. The Government of India has notified June 02, 2014, as the Appointed Day, in exercise of the powers conferred by clause (a) of section 2 of the Andhra Pradesh Reorganization Act, 2014 (6 of 2014).

As per the Act, APGENCO would have to be segregated into two corporations based on business operations as stipulated in the Act. Accordingly, Organization structure for each generation corporation has been proposes for approval of the board. This report proposes the organization structures for the generation corporations of the successor states of Andhra Pradesh and Telangana, carved out of the existing APGENCO based on the principles of allocation explained in detail in the subsequent sections.

Principles applied for allocation of Posts

Board of Directors

The Board of Directors has been proposed to comprise of 5 Directors in total. This is same for both the generation corporations of Andhra Pradesh and Telangana. The appointment of the Board of Directors is under the purview of the respective state Governments. Hence, no allocation exercise is carried out for current board level posts.

- Only Sanctioned posts at Headquarter are considered for allocation to the respective generation corporations of Andhra Pradesh and Telangana.
- Any posts diverted from field location to Headquarter reverted back to field location
- No new posts have been proposed except FA & CCA. As per the current organization structure, one FA &CCA post is available hence additional post of FA &CCA under Director (finance & Commercial) has been proposed.

Allocation of Posts other than the Board:

Depending on the category to which a particular post belongs to (i.e. technical or common services), the posts are proposed to be allocated as per the below criteria

Technical Posts:

- **Thermal posts**  
The Thermal department posts are proposed to be allocated to the generation corporations of the successor states based on the generating capacity of both existing and under construction thermal projects located in that region (*Sri Damodar Sanjeeviah TP is not considered as it is not under the ownership of APGENCO*)
  - **Generation Capacity of Thermal stations – Existing and Under construction**
    - Andhra Pradesh - Vijayawada TPS, Rayalaseema TPP, RTPP-IV (Under construction)
    - Telangana - Ramagundam Thermal Station, Kothagudem TPS, Kakatiya TPP stage-I & Kakatiya TPP stage-II (Under construction)

Table 1 Allocation ratio for Thermal Technical Posts

Generation Corporation	Capacity in MW	Ratio
Andhra Pradesh– Thermal	3410	54%
Telangana – Thermal	2882	46%
Total Thermal capacity	6292	100%

- **Hydel Posts**  
The Hydel department posts are proposes to be allocated to the generation corporations of successor states based on the generating capacity of both existing and under construction Hydel projects located in that region
  - **Generation Capacity of Hydel station – Existing and Under construction**
    - Andhra Pradesh - Tungabhadra, Penna Ahobilam, Srisaillam Right Bank,Machkund, Upper Sileru, Donkarai, Nagarjuna Sagar Right Canal, Nagarjuna Sagar Tail Pond(Under construction), West Godavari Mini Hydel
    - Telangana - Lower Sileru, Srisaillam Left Bank Priyadarshini Jurala, LJHES(Under construction), Nagarjuna Sagar, Nagarjuna Sagar Left Canal, Pulichintala HES, Pochampadu, Nizamsagar, Singur, Mini Hydel (Peddapally & Paleru)

Table 2 Allocation ratio for Hydel Technical Posts

Generation Corporation	Capacity in MW	Ratio
Andhra Pradesh – Hydel	1339	32%
Telangana – Hydel	2902	68%
Total Hydel	4241	100

**Common Services Posts**  
For allocation of common services posts to the generation corporations of the successor states, the proportion of existing sanctioned field strength of the generating units which are located in the region of the successor states is proposed to be used. This includes Sri Damodar Sanjeeviah TPS posts as the O&M functions are being carried out by APGENCO employees only

Table 3 Common support staff allocation ratios

Generation Corporation	No.of Posts	Ratio
Andhra - excluding HQ	7,333	49.67%
Telangana - excluding HQ	7,431	50.33%
Total	14,764	100%

In case of solitary ranks- functional responsibilities of two similar posts are proposed to be merged and allocated to each of the generation corporations of the successor states.

In cases, where merging of similar posts is not possible, the solitary post is proposed to be allocated to generation corporation of Andhra Pradesh in case of a thermal post while it would be allocated to generation corporation of Telangana in case of a Hydel post.

Allocation of Post based on Principles:

Allocation of posts at CE-Level:  
Of the 14 existing CEs at Headquarters, currently three are serving Hydel functions and eleven are serving thermal functions. Using the above mentioned ratio (Table 1 & Table 2), each state is proposed to be allocated seven CE Posts.

	Total CE Posts	CE posts allocated to Andhra Pradesh – proposed	CE posts allocated to Telangana - proposed
Thermal functions	11	6	5
Hydel functions	3	1	2
Total	14	7	7

To accommodate the existing functions with the reduced number of CE Posts, certain Technical departments are proposed to be merged as below

Table 4 Existing & Proposed Chief Engineer (CE) Posts

Existing	Proposed Posts ( Common for Both states)
CE GEN I	CE GEN
CE GEN III	
CE TPC I	CE TPC
CE TPC II	
CE Gen II/Coal	CE Coal & Commercial
CE Commercial	
CE ADM	CE ADM, IS & ERP
CE ERP	
CE HPC	CE Hydel (Ops & Construction)
CE Hydel Projects	
CE Civil Thermal I	CE Civil Thermal
CE Civil Thermal II	
CE Civil Hydel	CE Civil/ Hydel & GS
CE Civil Gen services	

For the FA & CCA Posts – of the existing 3 Posts, 2 posts are proposed to be allocated to Andhra Pradesh and 1 post to Telangana. Keeping in view of functional requirement one additional FA & CCA Post is proposed to be created in Telangana.

The Proposed Organization structure up to the CE Level for the generation corporations of the successor states is Shown Below –

Figure 2 Proposed Organization Structure for Andhra Pradesh Power Generating Corporation (Residual)

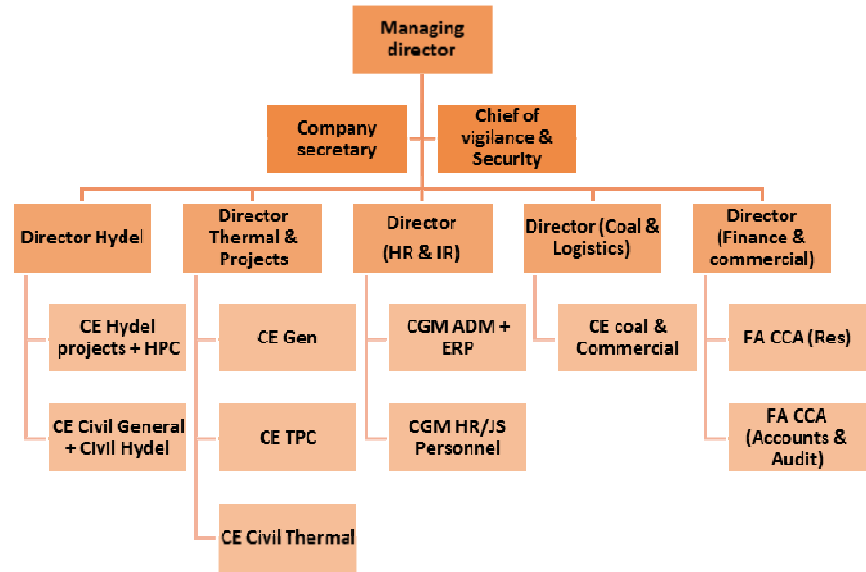
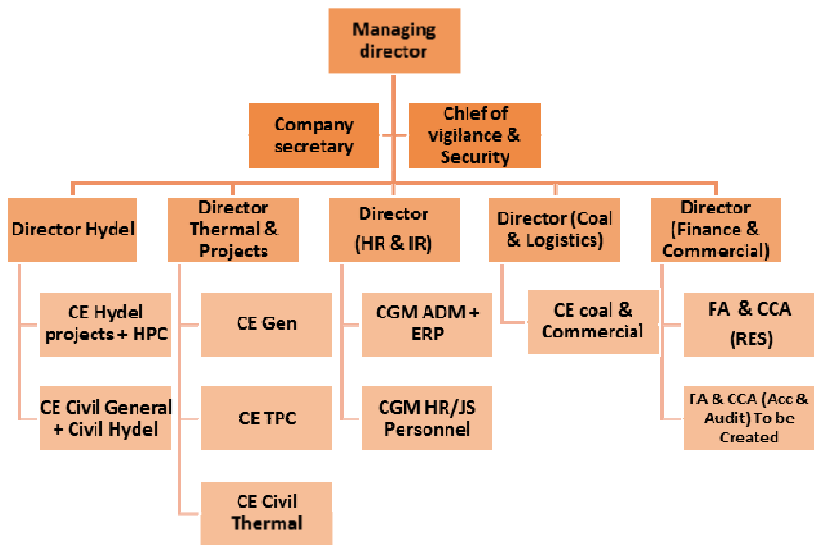


Figure 3 Proposed Organization Structure for Telangana Power Generating Corporation



Allocation of posts below CE level:

- The Total number of posts in each department for each rank which would report to the respective CE combining two CE departments as per Table 4 was obtained. The posts are proposed to be allocated to successor states of Andhra Pradesh and Telangana respectively according to the allocation ratios previously described
- The proposed allocation of posts below CE-level is done for all Technical departments
- For Common service, the existing posts are proposed to be allocated to the generation corporations of the successor states as per ratio mentioned in Table 3
- In case of solitary posts like Chief General Manager (HR) & Joint Secretary Personnel, the posts are proposed to be combined and resulting posts are proposed to be allocated to successor states in such a way that at least one state gets one relevant post.
- After department wise allocation of posts, at each rank the cumulative number of posts allocated to each state will be tallied with the over-all no. of posts expected to be allocated to each state as per the allocation ratios defined (Table 1,2 & 3)
  - No further division of ranks based on disciplines is proposed to be done(e.g. SE Electrical & SE Mechanical were both considered to be SE Posts)
- In cases where cumulative department allocations at each level does not match with the overall allocation numbers –some posts are proposed to be re-allocated between states, after taking into consideration the availability of sub-ordinate posts.

The posts at Peshi’s of MD and Directors are proposed to be grouped together and adjusted in technical wings where necessary. The allocation ratio used for peshi posts is 54 % to Andhra Pradesh & 46 % to Telangana.

The below table indicates the allocation of technical posts to respective generation corporations of successor states based on Thermal and Hydel allocation ratios (the peshi posts have been shown together with thermal posts as they are allocated on a similar ratio of 54:46 for Andhra Pradesh and Telangana)

Rank	Total Thermal Posts	Andhra Pradesh Thermal Posts	Telangana Thermal Posts	Total Hydel Posts	Andhra Pradesh Hydel Posts	Telangana Hydel posts	Total Posts (Nos)	Andhra Pradesh total Posts	Telangana Total Posts
CE	11	6	5	3	1	2	14	7	7
SE	22	12	10	5	1	4	27	14	13
DE	52	28	24	13	5	8	65	32	32
ADE	113	61	52	27	8	19	140	70	70
AE	80	43	37	30	10	20	110	52	58
Sub Eng	2	1	1	0	0	0	2	1	1
Supdt. Chemist	1	1	0	0	0	0	1	1	0
Senior Chemist	1	1	0	0	0	0	1	1	0
Chemist	1	1	0	0	0	0	1	1	0
Total	283	154	129	78	25	53	361	179	181

The allocations for all the departments including common services is shown in the table below.

Function (Total Employees)	Total Allocated Posts	Andhra Pradesh	Telangana
Technical departments-including non-technical staff	534*	273	261
P & G	104	49	55
Medical	7	3	4
Security	65	32	33
Accounts	197	96	101
O&M Staff	5	2	3
Totals	912#	455	457

\*Includes the Current Company secretary post allocated to Power Generating Corporation of Andhra Pradesh (A new post has to be created for Telangana).  
#ED IS post is not considered for allocation

Preparation of Organograms

The resulting allocation of posts for each of the departments obtained by application of the above mentioned principle has been used for the preparation of organograms. Organograms has been prepared for the New Generating Corporation of the successor state for all the technical departments and Common support services like P&G, Accounts etc. Detailed organograms are attached in Annexure I

After reviewing the organograms certain changes have been made to allocated posts to ensure that functional requirement are met. Below is the summary of manual changes

- CE Civil/Hydel, CE Civil/GS & C&I departments are merged together the resulting 3 SE/civil posts are re-allocated in the following way
  - One SE/Civil post allocated to each state under CE Civil/Hydel & G.S
  - The other SE/Civil post is being directed to Telangana CE/Thermal (since no SE civil post was allocated to CE/Civil Telangana initially)
- CE coal & commercial functions are merged.
  - One DE post shifted from Andhra Pradesh to Telangana in the merged division (keeping in view of the fact that two SE posts have already been allocated to Andhra Pradesh)
- One AE Post transferred from CE TPC Andhra to CE TPC Telangana to balance overall allocation of AE posts
- Out of the 2 sub Engineer one allocated to Andhra Pradesh in (CGM ADM) & One to Telangana (CE Civil & GS)
- One Dy.CCA Post transferred to CGM ADM – Telangana from Peshi – to balance the Solitary Dy.CCA existing in CGM ADM pre bifurcation
- One DS Post transferred to CGM ADM- Telangana from Peshi – to balance the Solitary Dy.CCA post existing CGM ADM pre-bifurcation
- The existing GM IR post in P&G is merged with One DS post and redesigned as GM IR/DS. Each state allocated one such post
- In CE-Civil GS, one JPO post allocated to Telangana as PO was allocated to Andhra Pradesh
- In CGM/ADM one JPO post allocated to Telangana to balance overall ratio
- AO in CGM ADM allocated to Telangana to balance overall AO posts

The department wise posts allocated to each department rank wise for each state is shown in

- Technical Departments – Annexure II
- Common services departments – Annexure III

Table II (Rank wise allocation for Technical Departments)

	CE Generation		CE TPC		CE Civil Hydel & GS & C&I		CE-Civil/Thermal	
Rank	Andhra Pradesh	Telangana	Andhra Pradesh	Telangana	Andhra Pradesh	Telangana	Andhra Pradesh	Telangana
CE	1	1	1	1	1	1	1	1
SE	2	1	4	4	1	1	1	1
DE	3	3	8	7	5	6	3	2
ADE	12	11	16	14	10	13	4	4
AE	4	4	10	8	14	17	4	4
Sub Eng	0	0	0	0	0	1	0	0
Supdt. Chemist	1	0	0	0	0	0	0	0
Senior Chemist	0	0	0	0	1	0	0	0
Chemist	0	0	0	0	1	0	0	0
Dy.CCA	0	0	0	0	0	0	0	0
Deputy Secretary	0	0	0	0	0	0	0	0
DM(HR)	0	0	0	0	0	0	0	0
AM(HR)	0	0	0	0	0	0	0	0
AS	0	0	0	0	0	0	0	0
Law Officer	0	0	0	0	0	0	0	0
PO	0	0	0	0	1	0	0	0
PRO	0	0	0	0	0	0	0	0
Jr.law Officer	0	0	0	0	0	0	0	0
JPO	1	0	2	1	0	1	0	0
Assistant	1	1	0	0	1	2	0	0
Record Assistant	1	0	0	0	0	0	0	0
Roneo operator	0	0	1	0	0	0	0	0
Typist	1	0	0	0	2	3	1	1
OS	3	2	3	2	3	4	2	2
SAO	0	0	0	0	0	0	0	0

AO	0	0	0	0	1	0	0	0
AAO	0	0	0	0	0	0	0	0
Protocol Officer	0	0	0	0	0	0	0	0
JAO	0	0	0	0	0	1	0	0
Senior. Assistant	0	0	0	0	0	2	0	0
Junior. Assistant	0	0	0	0	0	1	1	1
Senior. Steno	0	0	0	0	0	0	0	0
FM Gr-I	0	0	0	0	0	0	0	0
Driver FM Gr-II	0	0	0	0	0	1	0	0
fm Gr-IV	0	0	0	0	0	0	0	0
Electrician	0	0	0	0	0	0	0	0
Driver (Provincial)	0	0	0	0	0	0	0	0
Foreman Driver	0	0	0	0	0	0	0	0
Driver	0	0	0	0	0	0	0	0
Driver Gr-I	0	0	0	0	0	0	0	0
Watchman	0	0	0	0	0	0	0	0
JPA	0	0	0	0	0	0	0	0
Sweeper	0	0	0	0	0	0	0	0
LMD	0	0	0	0	0	0	0	0
Total	30	23	45	37	42	53	17	16



	CE coal and commercial		CGM ADM,IS & ERP		CE HPC & Hydel Projects		Peshi Staff	
Rank	Andhra Pradesh	Telangana	Andhra Pradesh	Telangana	Andhra Pradesh	Telangana	Andhra	Telangana
CE	1	1	1	1	1	1	0	0
SE	2	1	2	1	1	3	1	1
DE	3	2	5	5	3	5	3	2
ADE	8	6	12	11	5+1(TB Bd)	11	2	1
AE	5	5	10	9	5	10	1	0
Sub Eng	0	0	1	0	0	0	0	0
Supdt. Chemist	0	0	0	0	0	0	0	0
Senior Chemist	0	0	0	0	0	0	0	0
Chemist	0	0	0	0	0	0	0	0
Dy.CCA	0	0	1	1	0	0	0	0
Deputy Secretary	0	0	1	1	0	0	0	0
DM(HR)	0	0	0	0	0	0	0	1
AM(HR)	0	0	1	0	0	0	0	0
AS	0	0	2	1	0	0	2	2
Law Officer	0	0	0	0	0	0	0	0
PO	0	0	5	4	0	1	2	3
PRO	0	0	0	0	0	0	0	0
Jr.law Officer	0	0	0	0	0	0	0	0
JPO	1	0	7	7	0	1	1	1
Assistant	1	1	4	4	0	1	1	1
Record Assistant	1	0	2	1	0	0	2	1
Roneo operator	0	0	0	0	0	0	0	0
Typist	2	1	2	2	1	2	0	0
OS	3	2	4	3	1	3	10	8
SAO	1	0	0	0	0	0	0	0
AO	0	0	0	1	0	0	0	0

AAO	0	0	1	0	0	0	0	0
Protocol Officer	0	0	0	0	0	0	0	0
JAO	0	0	1	0	0	0	1	1
Senior. Assistant	0	0	0	0	0	0	0	0
Junior. Assistant	0	0	0	0	0	0	0	0
Senior. Steno	0	0	0	0	0	0	0	0
FM Gr-I	0	0	0	0	0	0	0	0
Driver FM Gr-II	0	0	0	0	0	0	0	0
FM Gr-IV	0	0	0	0	0	0	0	0
Electrician	0	0	0	0	0	0	0	0
Driver (Provincial)	0	0	1	0	0	0	1	1
Foreman Driver	0	0	0	0	0	0	0	0
Driver	0	0	0	0	0	0	0	0
Driver Gr-I	0	0	0	0	0	0	1	0
Watchman	0	0	0	0	0	0	0	0
JPA	0	0	0	0	0	0	0	0
Sweeper	0	0	0	0	0	0	0	0
LMD	0	0	0	0	0	0	1	0

Table III (Rank wise allocation for Common services departments)

Finance & Accounts	Total Posts	Andhra Pradesh	Telangana
FA & CCA	3	2	1
DY.CCA	6	3	3
SAO	13	6	7
AO	27	13	14
AAO	17	8	9
JAO	65	32	33
Sr.Asst	18	9	9
Jr.Asst	16	8	8
Typist	11	5	6
OS	20	10	10
Roneo Operator	1	0	1
Sub total	197	96	101
Medical	Total Posts	Andhra Pradesh	Telangana
Chief Medical Officer	1	0	1
Deputy Civil Surgeon	1	1	0
Assistant Civil Surgeon	2	1	1
Staff nurse	1	0	1
Compounder/Pharmacists	1	1	0
OS	1	0	1
Sub Total	7	3	4
Security	Total Posts	Andhra Pradesh	Telangana
Chief of Security & Vigilance	1	1	0
Superintendent of police	1	0	1
DSP (vigilance)	1	0	1
Security officer	1	0	1
Asst. Security officer	1	1	0
PO	1	0	1
JPO	2	1	1
Assistant	1	1	0
Typist	1	0	1
Security inspector	1	0	1
Sub- Inspector of police	4	2	2
Security sub-Inspector	4	2	2
Head Constable	8	4	4
Security Head Guard	13	7	6
Police Constable	8	4	4
Security Guard	17	9	8
Sub total	65	32	33

P&G	Total Posts	Andhra Pradesh	Telangana
JS (P)	1	1	0
CGM HR	1	0	1
GM IR	1	0	1
DS	3	1	2
AS	8	4	4
Law officer	2	1	1
PO	22	11	11
Jr. Law officer	2	1	1
JPO	25	12	13
Assistant	13	6	7
Record Asst	1	0	1
Typist	9	4	5
OS	14	7	7
Protocol Officer	1	1	0
Sr.Steno	1	0	1
Sub total	104	49	55

O & M Staff	Total Posts	Andhra Pradesh	Telangana
Foreman Gr 1	1	1	0
Foreman Driver	1	0	1
Driver	1	1	0
LM Driver	1	0	1
Sweeper	1	0	1
Sub Totals	5	2	3
Total Non-Technical Departments	378	182	196

Schedule F						
Statement showing the details of BG's issued by APGENCO as on 10.05.2014						
Sl. No	Bank Guarantee No.	BG Amount (Rs. In Crores)	Valid up to	In favour of	Unit code	Towards
1	2006608BG0000150, dt 19.11.2008	10.17	18.06.2014	M/s.MCL, Sambalpur	4702 - RTPP st.III - Unit 6	Commitment guarantee to issue Letter of Assurance - Rs.4,44,40,000 for 210 MW unit 5 & Rs.10,16,40,000 for 500MW unit 6 - for supply of coal
2	2006608BG0000149, dt 19.11.2008	4.45	18.6.2014	M/s.Coal India Ltd, Kolkata	4702 - RTPP st.III - Unit 5	
3	2006609BG0000059, dt 11.06.2009	10.17	30.6.2014	M/s.Coal India Ltd & M/s.MCL	Dr.NTTPS - Unit 7 (4500)	Commitment guarantee - for supply of coal
4	2006610BG0000019,4.2.2010	4.67	03.06.2015	M/s.MCL, Sambalpur	4500 Dr.NTTPS - unit - 7	Security Deposit in the form of BG - 500 MW (1620000 tonnes p.a* Rs.480/- per tonne * 6% = Rs.4,66,56,000)
5	2006610BG0000085, 15.7.2010	1.32	30.6.2014	M/s.MCL, Sambalpur	4500 Dr.NTTPS - unit - 7	(2080000tonnes*480*6% = 59904000/- - 46656000/- = 13248000/- )Difference in security Deposit in the form of BG
6	2006611BG0000027, dated 12.3.2011	1.78	11.06.2014	M/s.Mahanadi Coal Fields Limited	4702 - RTPP st.III - Unit 5	Additional Commitment guarantee to issue Letter of Assurance - Rs.4,44,40,000 for 210 MW unit 5 & Rs.10,16,40,000 for 500MW unit 6 - for supply of coal
7	2006612BG0000192, dated 17.12.2012	0.68	17.06.2014	M/s.MCL	RTPP Unit-5	Addl.Security Deposit
8	2006612BG0000193, dated 17.12.2012	0.65	17.06.2014	M/s.MCL	Dr.NTTPS Unit-7	Addl.Security Deposit
9	2006614BG0000001, dated 6.1.2014	0.37	5.1.2017	M/s.AP Pollution Control Board, Sanath Nagar, Hyderabad.	RTPP	for development of additional green belt
APGENCO TOTAL		34.26				
10	2006612BG0000191,dated 17.12.2012	10.82	16.12.2015	M/s.MCL	KTPS-VI, Unit 11	Security Deposit
11	2006613BG0000050, dated 21.5.2013	64.40	20.05.2015	Ministry of Coal,Govt.of India		towards Tadicherla Coal Block

TG GENCO TOTAL		75.22				
12	2006611BG0000079,23.6.2011	7.50	30.9.2014	FA&CAO/South Central Railways (instead of LC)Tripartite Agreement dt 22.3.2012 valid up to 31.5.2015		M/s.South Central Railways, for implementation of e-payment system for payment of Railway freight towards coal rakes from Paradeep to Dr.NTTPS
13	2006613BG0000041,dated 27.04.2013	3.00	26.07.2014	M/s.SAIL		
14	2006613BG0000078, dated 16.7.2013	1.00	30.7.2014	M/s.South East Central Railways Bg from SBH - Tripartite agreement on 26.07.2011 valid for 3years - 26.7.2014		Claim period upto 14.8.2014
15	2006613BG0000137, dated 28.12.2013	1.50	27.06.2014	M/s.SAIL		
16	2006614BG0000028, dated 21.03.2014	7.00	20.06.2014	RINL		
17	2006614BG0000041, dated 17.04.2014	1.50	16.07.2014	SAIL		
COMMON TOTAL		21.50				
GRAND TOTAL OF BG'S		130.98				

LIST OF LCs as on 15.5.2014					
Sl. No.	Unit Code	LC.NO.	PO.NO.	Name of the Firm	Bank
1	7605	2006613IM0000041	JC 4188	M/s Hitachi Mitsubishi HydroCorporation	SBH, Gunfundry
2	4801	2006613IM0000170	GM-5383	M/s CCI AG, AN IMI Copmany, Switzerland	SBH, Gunfundry
3	4100	2006613im0000022	GM-5245	M/s HITACHI BUSINESS INTERNATIONAL LTD, JAPAN	SBH, Gunfundry
4	7604	2003314IM0000014	JM-4216	M/s SUMITOMO CORPORATION, JAPAN.	SBH, Gunfundry
5	4200	2006614IM0000006	GM-5348	M/s WLLAND & TUXHORN AG, Germany	SBH, Gunfundry
6	4801	2006614iIM0000010	GM-5314	M/s KSB AG GERMANY	SBH, Gunfundry
7	4100	2006613IM0000021	GM-5246	M/s HITACHIBUSINESS INTERNATIONAL LTD, JAPAN	SBH, Gunfundry
TG GENCO					
8	Common	2006613LC0000159		M/s East Coast Railways	SBH, Gunfundry
Common					

Schedule H  
List of Contingent Liabilities

Contingent Liabilities	Amount (INR Crores)
Claims against the Company not acknowledged as debt	311
Other Contingent liabilities (Contra items)	63
Letter received from the Chief Electrical Inspector/Andhra Pradesh for payment of electricity duty on electricity generated since inception of the company. But the duty is not payable for electricity sold to licencees as per the AP Electricity Duty Act, 1939 and even if it payable, the same is recoverable from the DISCOMS.	2125
Late payment dues to Singareni Collieries not acknowledged	160
Other money for which the company is contingently liable: Suits/Cases filed against the Company pending before judicial/appellate tribunals not provided	17